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Daily Report

East Asia

FBIS-EAS-94-196
Tuesday
11 October 1994

Daily Report
East Asia

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Quadripartite Meeting on Transportation, Tourism

BK1010111894 Vientiane KPL in English 0910 GMT 10 Oct 94

[FBIS Transcribed Text] Vientiane, October 10 (KPL)—Myanmar [Burma], China, Thailand and Laos are discussing cooperation and joint effort in developing their sub-region in the third quadripartite meeting on sub-region transportation and tourism linkage organised here from October 7 to 13.

While addressing the meeting which gathered over 100 persons (public and private) from the four countries and international and regional organisation, the Lao Minister of Communication, Transport, Post Office and Construction, Bouathong Vonglokham, stated that the joint effort of Myanmar, China, Thailand and Laos in building the necessary infrastructure to link the transportation and tourism is a must and need tremendous funds. He appealed all countries and international organisations to give a hand in order for the region to fruitfully build up a viable transportation system. This quadripartite cooperation will contribute to transform the sub- region including Myanmar, southern China, the northern part of Thailand and Laos into a region of peace, cooperation and preserved environment. The Lao minister stressed on the firm support and endorsement of government of the Lao PDR [People's Democratic Republic] in developing the region and in quadripartite economic cooperation.

The meeting will also define the framework of the cooperation, the river transportation, the navigation rules, the exchange of goods among the four countries etc.... The meeting will have to formulate a technical recommendation to the governments of the four countries for approval. The meeting will last until October 13.

Bouathong Vonglokham Gives Speech

BK0910145594 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 9 Oct 94

[FBIS Translated Text] The third regional conference on the links of communications and tourism was held at Lan Xang hotel, Vientiane, on the morning of 7 October.

Attending the conference were a Lao delegation headed by Bouathong Vonglokham, minister of communications, transport, posts, and construction; the PRC delegation headed by Li Jiazhong, PRC ambassador to Laos; the Thai delegation headed by Somphan Kokilanon, Thai ambassador to Laos; and the Burmese delegation headed by U Maung Maung Lay, Burmese ambassador to Laos; representatives of the international organizations in Laos; and a large number of technical personnel from the countries concerned.

As host of the conference, Bouathong Volokham delivered a speech at the meeting, saying: the Government of the Lao People's Democratic Republic [LPDR] has pursued a policy of regarding it as an important task to carry out the quadrangle economic development project. It has also given support to the governments of the PRC, Burma, and Thailand in developing this region aimed at turning it into a zone of genuine peace, cooperation, and environmental protection. Development of communications and transport networks to link land and water routes between Laos, Thailand, China, and Burma will certainly help facilitate commercial and cultural exchanges among the countries in this region. The development of such networks requires a large amount of funds, though.

Bouathong Vonglokham called on the international organizations to give financial support to this project to gradually improve the links of communications routes in the region.

The conference, scheduled to last for a week, is to study various important issues, such as the broadening of the scope of cooperation, negotiation on the shipping along the Mekong River, air and land transport services, and tourism services.

Ban on Hazardous Waste on Rivers

BK0910114394 Bangkok THE SUNDAY NATION in English 9 Oct 94 p A2

[Report by Marisa Chimprapha]

[FBIS Transcribed Text] Vientiane—Representatives from the four countries bordering the Mekong river met in the Laotian capital yesterday and adopted a proposal put forward by the Thai delegation to prohibit the river being used to transport shipments of hazardous waste.

The meeting, called to discuss transportation and tourism issues, was attended by delegates from Burma, Laos, China and Thailand. A joint committee has been set up to work out the details of the Thai proposal. Discussion at yesterday's meeting focussed on a 24-article draft agreement covering commercial shipping along the Mekong river, submitted by the Chinese delegation.

Delegates decided to delete article 18 of the agreement which proposed that shipping companies carrying goods for export be exempted from all taxes, duties and other levies.

Xai Phapsasoum, permanent secretary at the Laotian Ministry of Transport, Post and Construction, told reporters that it was decided to delete the article as delegates felt that the issue should first be examined by tax experts to ensure accuracy and fairness.

Meanwhile, Chiang Rai governor Kamon Bunchoet who attended the meeting, said it would not be possible to extend exemptions on all taxes and levies. "What needs to be considered is exactly how much each nation would need to collect to fund development projects along the Mekong river," Governor Kamon said yesterday.

The Chinese delegation agreed to draft the agreement after the four-nation group had it's second meeting in China's Kunming province in January this year.

At the Kunming meeting it was agreed to allow vessels to use the river route from China's Simao province to Xieng Khouang province in Laos. However, the draft agreement presented to yesterday's meeting stated that ships using the river for commercial or tourist purposes should be allowed to use docks in the Laotian province of Luang Prabang.

Xai, speaking on behalf of the Laotian delegation, agreed to the change saying it would benefit trade and tourism in all four countries but especially in Laos itself.

"Anyway, each of the four governments will have the final say on whether or not to approve the change. After that, the four nations will meet and discuss the matter again," Xai told our reporter.

The Beijing government is reported to be considering the use of explosive charges to remove rapids and rocky outcrops along the Lansang, a tributary of the Mekong which flows through Chinese territory. However other countries with land bordering on the Mekong, particularly Cambodia and Vietnam, have expressed opposition to the Chinese proposal. They fear that removing the rapids to improve navigation on the river may result in changes in water flow which could also affect boundary markers which delineate national frontiers.

An informed source said that this matter was not raised at the meeting although delegates said they were not in favour of opening up any new navigation channels along the river.

At yesterday's meeting, the Laotian delegation insisted that the agreement should be implemented for a three-year trial period after it was signed by representatives from the four countries. Other delegates suggested that the trial period be extended to five years.

The meeting, which was chaired by Xai later decided to review article 5 of the agreement. This states that each country should agree to grant vessels from each of the other three, special customs and other clearances.

Xai commented that normally this type of "most-favoured-nation" status was only conducted between two countries.

The six-day meeting, which started Thursday, will wind up on Wednesday with the signing of the agreement.

Meeting Focuses on Mekong River

BK0810112094 Bangkok THE NATION in English 8 Oct 94 p A3

[Report By Marisa Chimprapha]

[FBIS Transcribed Text] Vientiane—China, Laos, Burma and Thailand yesterday began a six-day meeting on tourism and transport links to Laos, focusing on passenger and cargo movements on the Mekong River.

They discussed a draft agreement of 25 points, prepared by the Chinese, which is to be used as basis for development planning.

The meeting is the third on the subject. The second, in Kunming, China, early this year, agreed on navigation along the Mekong River, dividing it into upper and lower regions.

Sources said the meeting yesterday endorsed the use of the Mekong as a transport route between Simao, in China, and Luang Prabang, in Laos. The route will pass through Jinghong, in China's Yunnan province, and the Chiang Saen district of Chiang Rai.

The sources said the meeting has not yet discussed the possible removal of rapids and rock outcrops in the Mekong River to help navigation. They said removal of the rapids would be a delicate subject requiring careful consideration by all six riparian countries, including Cambodia and Vietnam.

"Any removal of them would certainly affect the lower riparian countries and could change the boundary markers," one official said.

The meeting is expected to conclude with agreement on merchant shipping on the Mekong River.

It is expected the four countries will agree to open ports along the Mekong to each other's vessels. Laos will allow the use of ports at Ban Sai, Siangkho, Mouang Mom, Houai Sai and Luang Prabang; China at (Konluey), (Mouangham), Jinghong and Simao; Burma at Wanpoung and Wanxieng; and Thailand at Chiang Saen and Chiang Khong.

Agreement is also expected on continuing the survey, design and construction of roads to further tourism, including from Chiang Rai to Houai Sai and Luang Namtha in Laos, then on to China, and from Chiang Rai's Mae Sai district to Kentung, in Burma.

It has been suggested that car rallies should be held from Chiang Rai to Houai Sai, and Luang Namtha to Kunming, to promote tourism.

Article Traces AFTA Evolution, Prospects

BK0710120594 Kuala Lumpur NEW STRAITS TIMES in English 6 Oct 94 p 14

[Article by A. Rachel: "Breaking New Ground on Free Trade"]

[FBIS Transcribed Text] The weather at Chiang Mai last month was unpredictable. First, rising flood waters threatened to disrupt the 26th ASEAN economic ministers' meeting (AEM).

Then, as if by some miracle, the rain stopped and the sun was out, interspersed with some showers here and there.

The weather was a reflection of the intense negotiations that were taking place at the Westin Chiang Mai Hotel—strong sun rays heating up the fast-flowing river which was already bursting with dirty brown water.

The meeting broke new ground. The AEM endorsed the recommendation, mooted by the ministers themselves, to hasten the implementation of the ASEAN Free Trade Area (AFTA) from the initial 15 years to 10 years.

The move is seen as an attempt by all six-member countries to ensure that AFTA is not overtaken or overshadowed by the General Agreement on Tariffs and Trade (GATT).

When AFTA was evolved, GATT was still stuck at the negotiating table. However, now with the conclusion of GATT, efforts had to be made to make AFTA not only consistent but also better than what the world trade accord offers.

If not, there is simply no point in having AFTA, a senior economics official meeting (SEOM) official said.

Soon after the various ministers had finished putting their signatures on GATT in Marakkech earlier this year, they were in Genting Highlands, pushing for the faster implementation of AFTA.

In addition to cutting down the implementation period, the scope of AFTA had now been expanded to include sectors that were not considered before, like raw agriculture products and the services sector.

The trade ministers, however, had problems agreeing on other issues. Circumventing the problem, they chose to agree not to agree.

The Eminent Persons Group (EPG) report was one such case. Unable to reach a common stand on the matter, they agreed on only two points.

The first was there was no need for ASEAN as a regional grouping to have a common stand. This was despite the fact that the ministers felt that a strong ASEAN voice will be able to steer APEC into the path it wants the grouping to take.

Secondly, they agreed the report would make a good reference material. That was all they could agree on.

Prior to the AEM meeting, the EPG report attracted a lot of comments, especially from Thai officials.

However, at the joint AEM press conference, all the ministers made it a point to downplay the EPG report, especially the fact that they were unable to reach a common consensus.

"It is not for us to discuss the report. It is for the Asia-Pacific Economic Cooperation (APEC)," the ministers said.

The report, which calls for free trade within APEC by the year 2020, has put ASEAN members in a predicament. While some of them see eye to eye on certain parts of the report, they disagree on other recommendations made by the EPG.

Similarly, Malaysia, which is strongly against APEC being turned into a trade bloc, sees some good in the EPG's recommendation for trade facilitation in the region.

The East Asia Economic Caucus (EAEC) was another area that was also hotly discussed behind closed doors.

Whether trade issues should be brought up at the meeting was another bone of contention, especially between Malaysia and Thailand.

While Thailand Deputy Prime Minister Supachai Phanitchaphak insisted that trade issues need not be brought up, especially if the founder members are not too comfortable with such matters, Malaysia's international trade and industry minister, Datuk Sri Rafidah Aziz, felt otherwise.

"All pertinent matters, which include trade issues, should be brought up for discussion," she said.

Although the AEM statement only mentioned briefly the status of the EAEC, news had leaked out that a pre-EAEC meeting, or diplomatically described as the ASEAN plus three meeting, is expected to take place in Phuket next April, after the AEM retreat.

There was also a consensus that ASEAN need not endorse a common candidate to head the soon-to-be-set up World Trade Organisation. They agreed that each member country had a right to its own choice of candidate.

Following the AEM's adoption of the AFTA Council recommendations, AFTA will now be in force by Jan. 1, 2003 instead of the year 2008.

The scheme, which is being implemented through the Common Effective Preferential Tariffs (CEPT), will see reduction in both the normal and fast tracks.

Under the fast track, all six ASEAN countries will have to reduce tariff rates of more than 20 percent to between five and zero percent by Jan. 1, 2000.

For tariffs on products which are below 20 percent, the rates must be reduced from five to zero percent by Jan. 1, 1998.

As for the normal track, tariffs on products, which are more than 20 percent, will have to be reduced to 20 percent by Jan. 1, 1998 and subsequently from 20 percent to five to zero percent by Jan. 1, 2003.

Tariff rates that are below 20 percent will have to be further reduced to between five and zero percent by Jan. 1, 2000.

Another major step taken by the member countries is to include agricultural products into the CEPT scheme.

A joint working group comprising representations from SEOM and the ASEAN ministers on agriculture and forestry will be set up to look into the finer points of including unprocessed agricultural products into the CEPT scheme.

Just how soon and how effective the inclusion of unprocessed agricultural products into AFTA will be will depend on how the various countries handle the matter.

"It will be difficult. Each country has its sensitive list of products. We are talking about the livelihood of farmers," a SEOM official said.

Malaysia has yet to identify its sensitive list but, like the other countries, is expected to liaise closely with their agriculture ministries to draw up the list.

It will not be easy, though. The sensitivities of the products are peculiar to each country. How ASEAN as a group can accept them and reach a common stand will be interesting to watch. Unless, of course, they circumvent the problem by putting most of the products onto the sensitive list.

Another landmark achievement of the AEM meeting was the move to completely do away with the temporary exclusion list within five years.

Under the new proposal adopted by AEM, all products listed under the temporary exclusion list will have to be transferred to the inclusion list in five years.

Within five years, tariffs on the products will be reduced in five equal annual instalments of 20 percent. The first installment will take effect by Jan. 1, 1996.

According to Supachai, the move will ensure that the exclusion list will be phased out within a fixed period. Previously, the exclusion list was scheduled to come under review after eight years.

Pulling Vietnam into ASEAN, and also into AFTA must be seen as opening the free trade area to include new markets and not to push the deadline for the implementation of AFTA further away.

AFTA must go on. Any attempt to include new economies must be done on the track that AFTA is already on. Any delay will only serve to derail the whole process.

And the officials are unanimous on this. When Vietnam joins ASEAN, it joins AFTA. No special treatment will be accorded.

Touted as "Agree First, Talk After," AFTA is now well on its way to lay the foundation for a more dynamic and vibrant ASEAN region.

The path AFTA will take will not be an easy one. Each member country has to be sincere and work towards this end, despite the initial hiccups it may encounter en route towards reaching the ultimate goal of a free trade area.

OCA Said Optimistic Over Iraq's Reinstatement

OW0610104294 Tokyo KYODO in English 0930 GMT 6 Oct 94

[FBIS Transcribed Text] Hiroshima, Oct. 6 KYODO—Olympic Council of Asia (OCA) President Ahmad al-Fahd on Thursday [5 October] expressed his optimism that Iraq, suspended from the OCA after its invasion of Kuwait in 1990, would be reinstated.

"There are no objections to the reinstatement of Iraq. As soon as the reasons for its suspension have disappeared, the nation will be able to rejoin the OCA," Ahmad told reporters after concluding a two-day OCA General Assembly here.

Ahmad, an International Olympic Committee (IOC) member, is a son of former OCA President Fahd al-Ahmad, who was killed in resisting the invasion.

"For instance," said Ahmad, "Yugoslavia had its IOC membership suspended for a long time because of a United Nations sanction."

"We are now in the last stage of removing the sanction, and Yugoslavia will be reinstated to the Olympic movement. We hope the same can happen to Iraq," he said.

On the final day of the meeting, Ahmad was reelected as president for another four-year term by a unanimous vote despite criticism against him over the political furor caused by his invitation of Taiwan President Li Teng-hui.

Vice President Hironoshin Furuhashi was also reappointed for the following period. Furuhashi also serves as president of both the Japanese Olympic Committee (JOC) and the Hiroshima Asian Games Organizing Committee.

Former popular synchronized swimmer Mikako Kotani, a bronze medalist at the Seoul Olympic Games in 1988, was named as a chairperson of the OCA Athletes Committee, while JOC member Yasuaki Suda was appointed head of the Press Committee.

Muneyoshi Ueda was nominated to remain in the top position of the finance committee, while Takayoshi Matsudaira will keep his sports promotion committee head post.

The Hiroshima Games, in which about 7,300 competitors and officials from 42 OCA member nations and territories are taking part in 34 sports with 337 medals at stake, will continue through Oct. 16.

The OCA on Wednesday agreed to limit the total number of events and participants in the Asian Games to ease the economic burden of the host city and Ahmad said, "twenty-six sports are scheduled to be held in the 1998 Bangkok Asian Games."

Although many OCA Executive Board members have criticized Thai organizers for delayed preparations, Bangkok was on Wednesday endorsed by the OCA for the venue for the next games.

Ahmad confessed, "the Thai capital has three problems to solve—pollution, traffic jams and creating sports facilities."

Touching on Israeli issue, Ahmad said, "I do not think there is a problem in regard to Israel because there is no official resolution by the UN on Israel."

"Following the historical reconciliation between Israel and Palestine last September, the problem has been solved. There is no objection at all to Israel becoming part of the OCA," he said.

However, Ahmad said he has yet to hear from Israel if it intends to join the OCA, adding he thinks Israel wants to join a European sports body.

Although Israel was a member of the Asian sports governing body, the nation was isolated to avoid possible conflicts between Israel and Arab nations when the OCA was founded in 1982.

Japan

Reports on Reaction to Alleged LDP-CIA Links

Hashimoto Comments

OW1110020094 Tokyo KYODO in English 0145 GMT 11 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 11 KYODO—International Trade and Industry Minister Ryutaro Hashimoto on Tuesday criticized the latest U.S. retaliatory action against Japan's paper and forestry trade.

"The action is very regrettable because it was unilaterally taken at a time when discussion is under way," Hashimoto told a regular news conference. Last week, Washington placed Japan's paper and forestry sectors on a "watch list" for unfair trade that may lead to trade sanctions under a retaliatory clause known as Super 301.

"I don't know what the watch list means," Hashimoto said. He said the foreign share of forestry products has been rising in the Japanese market. "I have no idea of where misunderstanding lies."

Being placed on the watch list is milder than being named as a priority country under Super 301, which may directly lead to procedures under the retaliatory clause.

On the issue of the NEW YORK TIMES reporting that Japan's Liberal Democratic Party was linked to the Central Intelligence Agency (CIA) during the 1950s-1960s, Hashimoto said he thinks the report is "basically groundless."

The U.S. paper reported last week the LDP received a huge amount of money from the CIA in exchange for providing top information.

"Difficult to believe. I cannot find any other words," Hashimoto said. Describing the report as "very unhappy," Hashimoto indirectly questioned the credibility of the article when he said all the people named in the story are now dead. The LDP, now part of the ruling coalition, was a dominant force in Japan's politics from 1955 to 1993. Hashimoto belongs to the party.

Kono Denies His Link

OW1110020494 Tokyo KYODO in English 0149 GMT 11 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 11 KYODO—Foreign Minister and Liberal Democratic Party (LDP) President Yohei Kono on Tuesday denied a report by the NEW YORK TIMES that the LDP received millions of dollars from the U.S. Central Intelligence Agency in the 1950s and 1960s.

The LDP "conveyed a reply to the NEW YORK TIMES through the LDP Secretariat chief that the paper's allegations are not factual at all," Kono told a news conference that followed a morning cabinet meeting.

The TIMES reported in its Sunday editions that the CIA gave the money to LDP to make Japan a bulwark against communism in Asia, check opposition led by the socialists, and fight off socialist-led public resistance to building U.S. military bases in Japan.

Spokesman Says 'Never Heard'

OW1010010094 Tokyo KYODO in English 1230 GMT 9 Oct 94

[FBIS Transcribed Text] New York, Oct. 9 KYODO—The U.S. Central Intelligence Agency (CIA) secretly paid millions of dollars to Japan's conservative Liberal Democratic Party (LDP) during the 1950s and 1960s to help fight the party's leftist opponents, THE NEW YORK TIMES reported Sunday [9 October].

The operation aimed to make Japan a bulwark against communism in Asia and to obstruct the Japanese left, especially the Social Democratic Party (SDP), but also to gather intelligence on Japan, the paper said quoting former diplomats and retired CIA officials.

The CIA declined to talk to the reporters and an LDP spokesman said he had never heard of such payments.

As a result of the decade-long secret dollar flow, the LDP thwarted the SDP, maintained their one-party rule, forged close ties with Washington and fought off public opposition to the United States maintaining military bases throughout Japan, the lengthy article said.

The LDP, which was formed by competing conservative forces in 1955, successfully defended its grasp on power until last year, when it was ousted by a multiparty coalition in the wake of a series of corruption scandals involving covert political contributions.

The party made a comeback to power in June this year by forming a coalition with its traditional foe, the SDP.

The paper carries a recently declassified memo of July 29, 1958, in which Douglas McArthur, then U.S. ambassador to Japan, told the State Department that then Finance Minister Eisaku Sato, who later became prime minister, had asked for money "to fight communism."

McArthur, the nephew of Gen. Douglas McArthur, also wrote "this did not come as a surprise to us, since he suggested the same general idea last year."

In an interview with THE NEW YORK TIMES, the former ambassador said Washington believed that the SDP had its own secret funds from Moscow.

"If Japan went communist it was difficult to see how the rest of Asia would not follow suit. Japan assumed an importance of extraordinary magnitude because there was no other place in Asia from which to project American power," McArthur was quoted as saying.

The head of the CIA's East Asia operations in 1955-1958, Alfred C. Ulmer Jr., reportedly said that the agency made the payments also because it depended on the LDP for information about Japan.

The financial contributions were suspended in the 1970s, when Japan due to its rapid economic growth emerged as a competitor to the U.S., but the agency continued to use its long-cultivated contacts to boost espionage, gathering inside information about Tokyo's position in bilateral trade talks.

From the very beginning the agency systematically built connections with young promising politicians in the LDP, the article said.

According to the newspaper, one of them, Masaharu Gotoda, a former justice minister, confirmed he had a "deep relationship with the CIA" during his years as top police and intelligence official in the 1950s and 1960s.

But he also told the paper that "there was nobody in an authentic government organization who received financial aid."

ASAHI Comments

OW1110002494 Tokyo ASAHI SHIMBUN in Japanese 10 Oct 94 Morning Edition p 2

[FBIS Translated Text] It has been reported in THE NEW YORK TIMES that the Liberal Democratic Party [LDP] and LDP politicians received enormous amounts in financial aid from the U.S. Central Intelligence Agency (CIA) during the 1950's and 1960's. This report gives the strong impression that, against the backdrop of confrontations between the East and West blocs, the LDP—which took over the "anti-Communist policy" of the United States—was closely connected with the U.S. Government in various sectors and received funding.

This follows a recent report that the Communist Party of the Soviet Union [CPSU] had provided funds to the Social Democratic Party of Japan [SDPJ] since the 1960's. Taking all these reports into account, it can be said that the structurally dark side of the Japanese "1955 regime" [which was in large part a one-party domination of politics by the LDP] has come to the surface. In other words, the regime was engaged in a "proxy war" for the two superpowers, the United States and the former Soviet Union.

The Japanese Political Fund Control Law, which was enacted soon after the end of the war, stipulated that political parties and as politicians were prohibited from receiving funds from foreign countries. However, the issue concerning funds provided by the former Soviet Union was eventually dropped following official denials issued by the SDPJ and the Japan Communist Party (JCP).

Likewise, there is little chance that the current issue involving alleged funding by the United States will have a direct influence on the current political situation or relations between the ruling and opposition parties, because many of those Japanese who are involved in this issue have already passed away.

During the 1950's and 1960's, the United States and the former Soviet Union were in a critical state of confrontation in Asia, as manifested by the Korean War. In the circumstances, the United States continuously demanded that the LDP regime guarantee it would persist in its "pro-U.S. line."

And it has been reported that, as if to turn the U.S. demands advantage, Finance Minister Eisaku Sato of the [then] Kishi administration asked the CIA to provide financial aid. It was the Kishi cabinet that decided to revise the Japan-U.S. Security Treaty despite the strong opposition at home. This report will, therefore, certainly endorse the observation circulated in Japanese political circle at the time that "the LDP regime is sponsored by the U.S. Government."

There is another noteworthy point in the report. It is said that the CIA at the time believed "the SDPJ was receiving secret financial aid from the former Soviet Union." With the collapse of the former Soviet Union, documents—which indicate that the CPSU did provide funds to the SDPJ— were brought into the open. While this latest report reinforces the credibility of these documents, it also highlights the fact that the United States and the former Soviet Union used the Japanese political scene as a stage on which to engage in their intense political operations.

The NEW YORK TIMES report is based on secret documents made public by the U.S. Government in accordance with the law. However, the report is likely start various arguments within Japanese political circles as to why such documents, which could well damage the LDP, were made public at this time.

Aiming to eliminate the enormous trade deficit with Japan, the U.S. Government has been strongly demanding that Tokyo dismantle the collusive relationship enjoyed by the government, the bureaucracy, and industry by opening up its markets and promoting deregulation. It has been noted that there is, within the U.S. Government, a deeply-rooted suspicion of the Murayama administration and the LDP-SDPJ coalition. The belief is that "the Murayama administration intends to retain the structure of the former regime."

And this report is likely to arouse concern that the U.S. Government has decided to release the documents at this time because of this suspicion.

Article on Negative Aspects of Trade Talks

OW0810044594 Tokyo ASAHI SHIMBUN in Japanese 6 Oct 94 Morning Edition p 4

[Article by Washington correspondent Akira Ito: "Are the New Japan-U.S. Economic Talks Necessary?"]

[FBIS Translated Text] On 1 October, the new Japan-U.S. economic talks reached an understanding on the "objective criteria" designed to measure the openness of the Japanese market, over which both Japan and the United States had continued to squabble, while striking a deal on the three sectors of government procurement, insurance, and sheet glass. Looking at the ambiguous explanation of "objective criteria" in an agreement document, however, even experts do not know for sure what and how the deal will change bilateral trade between Japan and the United States in the future. Marathon-like "triathlon negotiations," that lasted 20 hours in Washington, might give an illusion that the entire Japan-U.S. relations were mired in friction. One of the causes for giving such an illusion was the very "framework" of the new economic talks. Japan and the United States should discontinue these new economic talks, which have only increased the friction between them, and grope for a new venue where they discuss ways to end the friction.

Time Limit

On 30 September prior to the 20-hour negotiations, the White House was at a loss over whether to allow television crews to cover a meeting to be held between President Clinton and Foreign Minister Yohei Kono. In the end, the White House decided to allow them to take only still pictures of the meeting out of fear that "television footage may show their smiling faces." In a show of his hardline stance toward Japan, President Clinton maintined a sullen face throughout the meeting when the television crews took the still pictures.

The new Japan-U.S. economic talks are only part of the broad Japan-U.S. relations that range from security matters to the grass- roots exchange between the two countries. Whenever the new economic talks were held, the people of the two countries were irritated and foreign exchange markets in the two countries were disrupted.

The "objective criteria," that were taken up for discussion at the new economic talks despite different intentions by the two countries and the "framework" itself of the new economic talks, which forced leaders of the two countries to get involved in the new economic talks for a deal, are problems.

It was at a meeting in April 1993 that former Prime Minister Miyazawa and President Clinton agreed to hold the new Japan-U.S. economic talks. The President and the prime minister met again during the Tokyo Summit three months later. Discussing a framework for the new economic talks at the meeting, they agreed that 1) the new economic talks will be held for two years and the two countries will strike a deal on the three priority sectors within the initial six months and they also will strike a deal on the rest of the sectors within the next six months, and 2) the two countries will hold their summit talks every six months to check progress in the increase of Japan's imports.

At the time, a senior U.S. Government official, in his testimony to U.S. Congress, stated: "In the past, Japan agreed to several trade matters, but nothing has since come from the agreement. The U.S. Government intends to make the most of the summit talks to be held every six months to check the progress in the increase of Japan's imports by objective criteria. We are confident that our efforts will pay off without fail."

Japan and the United States worked out a schedule for the new economic talks. As a result, the two countries were obliged to hold individual negotiations on 16 sectors despite the anticipated difficulty in negotiating so many sectors and to strike a deal on the sectors by July 1994. Leaders of the two countries were also obliged to check the progress at their summit talks and as a result, any negotiations held just prior to the summit talks were regarded as most crucial.

The new economic talks were broken off on 11 February this year. At a Japan-U.S. joint news conference that day, former Foreign Minister Tsutomu Hata had bloodshot eyes because of his heated exchange with U.S. officials in the early dawn. Television newscasts showed that Japan-U.S. relations were in bad shape. In reaction, the yen's exchange rate against the dollar on the New York Foreign Exchange sharply fell, nearly seven yen at a stroke.

Objective Criteria

What increased complaints among Japanese and U.S. negotiators in the negotiations was the perceptional gap between two countries on "objective criteria." Former Foreign Minister Hata and U.S. Trade Representative Mickey Kantor "broke off" their meeting in the early dawn of 11 February this year because of their differences over objective criteria. At an 8 September meeting with Kantor in Los Angeles and another meeting with him in the early morning of 1 October, Foreign Minister Kono devoted much time to objective criteria.

The cause of all of these troubles stemmed from the different interpretations between Japan and the United States of the agreement reached between former Prime Minister Miyazawa and President Clinton at their meeting in July 1993. Laura Tyson, chairman of the Council of Economic Advisers, said, "If our trade with Japan suffers a decline because of Japan's trade barriers and regulations, I support taking any approach." He proposed that Japan adopt a managed trade method similar to numerical targets. With regard to the objective criteria which the United States intended to use as a means to press Japan to commit itself to increasing its imports from the United States, Japan went along with the U.S. demand for setting it after interpreting it as a criteria for trends in past sales of imported goods in Japan. Japan's interpretation of the objective criteria was 180-degrees different from that of the United States.

The United States has refrained from openly asking Japan to go along with its demand for setting "numerical targets" since the new economic talks resumed in June this year. The real intention of the United States is that "targets are needed to have Japan open its market fully" and its real intention still remains unchanged.

In the latest negotiations, U.S. negotiators said, "We hope the Japanese auto industry will set a voluntary target for purchasing $40 billion worth of foreign-made auto parts five years later." The U.S. insurance industry said, "Now that a deal has been struck in the negotiations on the insurance sector, American insurance firms operating in Japan will reap $1 billion in earnings two or three years later." In this way, Americans have repeatedly mentioned something like "numerical targets."

The initial stalemate in the new economic talks has kept the talks from going beyond striking a deal on government procurement, the amount of which is minuscule compared to the huge amount of trade imbalance between the two countries. Squabbling between the two countries over how to interpret objective criteria led to a "breakdown" in the new economic talks in February this year. The new economic talks once worsened the entire Japan-U.S. relationship to the point where President Clinton himself spoke of a "trade war."

Deregulation

There are also positive aspects in the new economic talks. The Hosokawa government, which was inaugurated under the banner of "change" and "deregulation," rejected "numerical targets" and took a tough stance against them, insisting, "The government will voluntarily work on opening the market within the purview of its reach, but it will not intervene in the market."

The government has announced a package of external economic reforms. The government also has announced twice a package of economic stimulus measures, although those packages have been criticized as a "mere combination of figures." The Murayama government is set to announce a package of deregulatory measures. All of these represent a major change in the conventional negotiating stance of Japan which has reluctantly made concessions after persuading its people, citing foreign pressure.

The tactics of "Japan striking a deal with its trading partners under the table," was widely used during the era of the government led by the Liberal Democratic Party [LDP]. It is said that this time, Japan did not use these tactics in its negotiations with the United States. If these tactics were not actually used in the negotiations, the Murayama government deserves to be praised. In the past, Japan allowed American contractors to bid for large-type public works projects at the end of the negotiations on construction with the United States, but Japan failed to revamp the traditional tender system that was criticized as being devoid of transparency. In the Japan-U.S. negotiations on beef that were criticized by Australia as an attempt to treat American beef exporters preferentially at the expense of Australian beef exporters, it was rumored that Japan made a secret deal with the United States.

In the latest negotiations, American negotiators demanded that Japanese auto makers increase their purchase of foreign-made auto parts. In response, International Trade and Industry Minister Ryutaro Hashimoto continued to say "no" to the U.S. demand, claiming, "The request is out of the purview of these inter- governmental negotiations." His emphatic no to the U.S. demand sharply contrasted with the stance Japanese Government took when it announced a purchase target of $19 billion worth of foreign-made auto parts in 1992 during President Bush's visit to Japan. With the LDP government behind us, the government has come to pay more attention to opposition parties while negotiating with the United States, and it can be said that the negotiations with the United States have become more transparent than ever.

Japan's stance of rejecting "numerical targets" was applauded by other Asian nations. The Japanese Government will soon show its cloven hoof unless it promotes deregulation seriously.

Proposals

Even if the intended effects of the new economic talks are taken into consideration, a continuation of the talks, which have only caused a big fuss around the world, will be a minus for both Japan- U.S. relations and international society which plans to settle global trade disputes in such an international trade organization as the World Trade Organization (WTO) whcih is to be inaugurated next January. What course should Japan and the United States choose in the future, then?

Darku Awain, assistant professor at the Graduate Business School of the University of Chicago, said: "Those, who believe the trade imbalance between Japan and the United States can be corrected by bilateral negotiations have no knowledge of economics. Speaking based on economic theories, the only way for the United States to reduce its trade deficit with Japan is to reduce its fiscal deficit."

Larry Chimrin, a senior researcher at the Economic and Strategy Research Institute, who is a proponent of the bilateral negotiations, said: "If there are goals, they can be used as a means to assess how far Japan works to reduce its trade surplus with the United States. Any ambiguous criteria only allows the two countries to make subjective conclusions and trade friction to recur between them." Thus, he asked for clear-cut targets.

I believe among other things, that Japan should vigorously use the WTO. I would like to propose that Japan, the United States, the European Union (EU), and Canada establish new structural talks to discuss ways to reform the current markets and social structures in their nations. Japan will need to set up a third organization to promote deregulation and market opening.

Of the issues that have been discussed in the new economic talks, the issue of reforming the economic structure can be taken up for discussions among the three industrial nations and the EU, which share a similar economic structure. They will be able to discuss desirable ways to reform their economic structures while taking into account their diversified values. The Asia-Pacific Economic Cooperation (APEC), which hopes to gain access to the Japanese and U.S. markets, should send experts and observers from some of its member nations to the third organization that is mandated to make recommendations to the Japanese Government. It is desirable for Japan and the United States to discus the remaining issues in bilateral talks.

In Japan, the business practice of keeping foreign goods out of the Japanese market exists among enterprises more or less. In Japan, the government's excessive regulations and the collusion between industrialists and bureaucrats still remains. My view is that Japan still needs a push from abroad to rid itself of those regulations and collusion. This situation is regrettable. Given the people's feelings, it is undesirable for Japan to rely only on pressure from the United States.

The latest demands from the United States on Japan are to cater to the interests of a small number of American corporations, and it cannot be said that markets and the business community in the United States are in desirable shape. As the Clinton administration has used requests from Japan to cut its fiscal deficit, the United States should find an opportunity to make other nations understand its values in multilateral forums.

In his speech to the United Nations in late September, Foreign Minister Kono declared that Japan will seek to join the UN Security Council as a permanent member and play an international role, except for military actions. The role, however, does not only mean Japan's participation in peacekeeping activities and funds the Japanese Government provides to developing countries under the Official Development Assistance (ODA). Japan should turn its current market into a market where competitive goods from the rest of the world are sold at reasonable prices, and people and enterprises with capabilities and funds can do business. This is the very international role that Japan should play in the future.

Journalist on U.S. Delay of Uruguay Accord Vote

OW0810141294 Tokyo ASAHI SHIMBUN in Japanese 8 Oct 94 Morning Edition p 11

[By correspondent Hiroaki Ito]

[FBIS Translated Text] Washington, 7 October—In consideration of midterm elections in November, the U.S. Congress has decided to postpone until the beginning of December taking a vote on ratification of the Uruguay Round trade agreement (concluded at the GATT multilateral trade negotiations). Ratifying the accord is one of priority tasks for the Clinton administration. As many countries have promoted procedures for the adoption of the Uruguay accord while at the same time closely watching moves within the United States, the U.S. decision may also cause ratification delays in other countries. It is also possible that the inauguration of the World Trade Organization (WTO) will be postponed from the originally-scheduled 1 January 1995.

Ernest Hollings (Democrat), chairman of the Senate Commerce Committee, was the force behind the U.S. decision. His committee's approval of the Uruguay Round agreement is necessary before it is adopted by the Senate. However, because the textile industry in South Carolina—Hollings' constituency—expressed strong opposition to the accord, he used his power as committee chairman to postpone the committee's vote until 1 December.

Taking their cue from this action, Republicans in the House of Representatives began to call for a postponement of their vote, despite the fact the House had begun deliberations on the accord and decided to vote on it as early as 5 October. Their thinking was that: "The adoption of the Uruguay Round accord will put the Clinton administration in an advantageous position in midterm elections."

On the night of 5 October, the House decided to postpone voting until 29 December, until after midterm elections (scheduled for 8 November). According to congressional officials, it was felt that "if the accord is put to the vote, it will be adopted both by the Senate and the House." The whole affair gives the strong impression that the Uruguay Round accord has been used as a negotiating tool in U.S. domestic politics. It appears that Congressmen have decided that, in view of campaigning for midterm elections, it would not be wise to adopt the agreement at an early date.

Outside Congress, national figures such as Ross Perot, a former presidential candidate, and Ralph Nader, a civilian activist, have conducted campaigns against the ratification of the Uruguay Round accord and the inauguration of the WTO in a bid to protect U.S. industries and from labor and environmental concerns. There is a possibility the issue of adopting the Uruguay Round accord will be raised in the midterm elections.

The U.S. moves could possibly affect procedures among other GATT member nations due to adopt the accord. Many of these countries have promoted moves to have the accord adopted, while at the same time closely watching what happens in the United States because they think: "If the United States fails to adopt the agreement, burdens such as the lowering of tariffs and the promotion of market liberalization will be imposed only on us."

If these countries move to ratify the accord only after the U.S. Senate and the House have adopted it in December, it will make it difficult for the WTO to be inaugurated as planned on 1 January 1995.

Many Japanese have said: "The adoption of the accord by the United States is a prerequisite for Japan to ratify it."

The WTO is to be the body that will settle multilateral disputes and friction over commodities and services trade. Nevertheless, the international community is likely to face difficulties for the time being in inaugurating it.

Clinton 'Influenced' Dispatch of SDF to Rwanda

OW1110053894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Oct 94 Morning Edition p 2

[FBIS Translated Text] It has been learned that a letter from President Clinton to Prime Minister Murayama influenced Japan's decision to dispatch elements of the Self Defense Forces [SDF] to Rwanda to aid refugees. The United States took action earlier than Japan to assist Rwandan refugees by dispatching units to that country in July. The Japanese Government appears to have decided to embark on the first humanitarian assistance under the UN Peacekeeping Law out of consideration for the United States' intentions.

According to a government source, the prime minister received the President's letter sometime between late July and early August. In reference to assistance for Rwandan refugees, the letter said: 1) The situation in Rwanda is serious and emergency steps need to be taken; 2) aid is needed for infrastructure; and 3) commanders of U.S. units in Rwanda will cooperate with activities carried out by Japanese personnel in Rwanda.

The government at first studied the possibility of "sending civilian doctors to Rwanda for cooperation in the medical area," saying Japan had been asked by the international community to make personnel contributions. The first government fact-finding survey team, which was sent to Rwanda in early August, compiled a report saying: "It is desirable to send an organization capable of carrying out its duties on its own." In fact, the report persuaded the government to send the SDF elements. The government appears to have made the final decision on dispatching SDF personnel taking into consideration U.S. intentions.

The U.S. units have been carrying out their duties under a five- phase activity plan. They have withdrawn from Zaire, claiming: "We have finished our first goal of keeping the number of deaths from increasing." At present, the United States is focusing its assistance on Rwanda.

JDA Questions Iraqi Announcement of Withdrawal

OW1110052194 Tokyo KYODO in English 0430 GMT 11 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 11 KYODO—The Japan Defense Agency [JDA] Tuesday questioned an announcement from Baghdad which said Iraqi troops massed along the Iraq-Kuwait border since last week have started to pull out.

Japan perceives the southward deployment of the troops as an "extremely worrisome situation," the agency said in a statement. The agency noted the U.S. military is still sending reinforcements to Kuwait and tne Gulf region amid lack of evidence to verify the statement by Iraqi Foreign Minister Muhammad Sa'id al-Sahhaf that Iraqi troops have started a pullout from the border.

The agency said it received intelligence information that as many as 70,000 to 80,000 Iraqi soldiers were massed within 12 kilometers from the Kuwaiti border.

Meanwhile, the Japanese Foreign Ministry has advised travel agents and Japanese companies against arranging travel to Kuwait amid the heightening tension, ministry officials said.

In a related development, Foreign Minister Yohei Kono said at a news conference that Japan is closely following developments in the Persian Gulf.

Chief Cabinet Secretary Kozo Igarashi said at a separate news conference that Japan welcomes Iraq's announcement to pull its troops out of the Iraq-Kuwait border area. But the top government spokesman said Japan is awaiting verification of the troop withdrawal.

Government Warns Against Traveling to Kuwait

OW1110021394 Tokyo KYODO in English 0146 GMT 11 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 11 KYODO—The Foreign Ministry has advised travel agents and Japanese companies abroad not to arrange travel to Kuwait amid heightening tension along the Iraq- Kuwait border, ministry officials said Tuesday.

The ministry issued the travel advisory following reports that Iraqi troops are massing along the border and the United States and its allies are poised to send troops to the region to deter another Iraqi invasion of Kuwait. In a related development, Foreign Minister Yohei Kono said at a news conference that Japan is closely following developments in the Persian Gulf.

Chief Cabinet Secretary Kozo Igarashi said at a separate news conference that Japan welcomes Iraq's decision to pull its troops from the Iraq- Kuwait border area. But the top government spokesman said Japan will still closely monitor the Gulf situation pending verification of the Iraqi troop withdrawal.

Cabinet Members' Positions on UNSC Issue

OW0710234894 Tokyo ASAHI SHIMBUN in Japanese 7 Oct 94 Morning Edition p 2

[FBIS Translated Text] Deputy Prime Minister and Foreign Minister Yohei Kono stated in his address to the UN General Assembly "Japan is ready to fulfill responsibilities as a permanent member of the UN Security Council [UNSC]. However, Chief Cabinet Secretary Kozo Igarashi noted on 6 October that the Japanese

Government has not yet finalized its stance toward the issue, saying the Kono address "is not Japan's declaration of its candidacy." Commenting on this, Prime Minister Tomiichi Murayama later said: "He is right. Mr. Kono just mentioned Japan's readiness." The Murayama cabinet has begun to show dubious attitudes toward the issue—Finance Minister Masayoshi Takemura's remarks on the issue at the Diet often showed differences with the tone of the prime minister. Now that UN debates on UNSC reform are facing rough going, the Murayama cabinet probably thinks Japan does not have to finalize its position right now.

In a 6 October press conference, Igarashi stated: "The Kono address was made to announce Japan's readiness to join the UNSC. In line with this, we should further promote foreign and domestic discussions." In a press conference immediately before the address, Kono said his intention is to insist "Japan should be accepted as a new member of the UNSC." In fact, most UN members regarded the Kono address as Japan's declaration of candidacy for a UNSC post. So, the 6 October remarks by Igarashi and Murayama sounded as if the government is again taking a prudent attitude toward the issue.

Meanwhile, at the upper house session on 6 October Finance Minister Takemura stated: "We do not blindly seek the UNSC seat without further discussions within the nation. Japan has just raised the question to the UNSC. The foreign minister's address should be regarded as the starting point for promoting foreign and domestic discussions and reaching a national consensus." Thus, Takemura clarified a difference with the stance of Prime Minister Murayama, who said on 5 October: "we would like to seek a more responsible position through participation in the UNSC."

Asked about the discord among cabinet members on the UNSC issue, on the evening of 6 October a top government official said: "The finance minister just stated his personal opinion. It would take two to three years to work out UN reform. If the United Nations decides to expand the UNSC, that would be the time for Japan to officially seek the candidacy." In other words, the official said the government currently has no intention to enforce a uniform opinion to every cabinet member because Japan does not have to finalize its stance right now.

Even Foreign Ministry officials, who have been positively seeking the new UNSC seat, are beginning to say "the possibility of the admission of Japan to the UNSC is quite small at the present" (as noted by a senior official). This is because China has begun to use the UNSC issue as a bargaining chip in diplomatic negotiations with Japan since Japan allowed a Taiwanese government leader to attend the Asian games. Moreover, the ROK opposed Japan's proposal for veto power for new UNSC members, and Brazil and many other nations also ran for new UNSC seats. It appears the Foreign Ministry views the future direction of UNSC reform as becoming uncertain.

Ruling Parties on UN 'Announcement of Candidacy'

OW0810143894 Tokyo ASAHI SHIMBUN in Japanese 8 Oct 94 Morning Edition p 2

[FBIS Translated Text] It has been pointed out that following the speech to the United nations by Yohei Kono, deputy prime minister and concurrently foreign minister, on Japan's bid for permanent membership of the UN Security Council [UNSC] there must be some differences in understanding among members of the Murayama cabinet.

The government therefore decided on 7 October to clarify the situation by indicating its common understanding that "the foreign minister's speech was not the same thing as a declaration of candidacy." It went on to say it planned to make this point at the lower house budget committee sessions scheduled to start on 11 October.

At a news conference held after the cabinet meeting on 7 October, Foreign Minister Kono said that he "merely stated Japan's readiness to fulfill its responsibility as a permanent UNSC member state," stressing that the statement was not equivalent to an "announcement of Japan's candidacy." Kono's remarks served to confirm that there was no difference of view within the administration. Chief Cabinet Secretary Kozo Igarashi made similar remarks at a news conference held same day.

However, Prime Minister Tomiichi Murayama and Finance Minister Masayoshi Takemura had given different replies at Diet interpellation sessions.

And Chief Cabinet Secretary Igarashi had said: "No announcement was made on Japan's candidacy."

It seemed clear, therefore, that there had been insufficient discussion of the issue among cabinet members.

That was why Prime Minister Murayama held summit talks among the three ruling parties at his official residence on 7 October. Furthermore, he also called in Shunji Yanai, chief of the Comprehensive Foreign Policy Bureau at the Foreign Ministry and Masaki Orita, chief of Treaties Bureau, to study the contents of the foreign minister's speech.

They unanimously concluded that it was inappropriate to take Japan's readiness to assume a permanent seat on the UNSC as "an announcement of candidacy."

Editorial Urges Review of UN Roles

OW1010093994 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Oct 94 Morning Edition p 2

[Editorial: "The 'Origin' of UN Roles Must Be Reviewed Once Again"]

[FBIS Translated Text] The 49th UN General Assembly [UNGA] session started at the UN headquarters in New York on 20 September, and all representatives from major countries have delivered their speech. At the UNGA session, Foreign Minister Yohei Kono declared Japan's readiness to become a permanent member of the UN Security Council [UNSC], drawing much attention in Japan. Meanwhile, UN Secretary General Butrus Butrus-Ghali, in his annual report, stressed the importance of economic development for the UN.

There is, therefore, a feeling that the role and abilities of the United Nations in the post-Cold war era should be reviewed realistically. We should welcome this development, which will promote trust in the United Nations.

The secretary general's annual report maintains that "security is not limited to issues of territories and weapons." It adds that over the past year the United Nations "has been trying to remove the misunderstanding that it is largely involved in peacekeeping operations (PKO), and that economic and social development issues account for the most important part of the UN's work."

Similar feelings were evident in speeches by the leaders of major countries.

President Bill Clinton said: "The roles which development and democracy play in preventing conflicts should not be overlooked."

And Russian President Boris Yeltsin said: "Security is closely linked to stable development."

French Foreign Minister Alain Juppe said: "Development should again become a major theme of the United Nations."

The idea of "returning to development" is a reaction to the deadlock which recent UN PKO activities have run into in such countries as Somalia, Bosnia-Herzegovina, and Rwanda.

The difficulties now facing UN PKO activities can be seen as the result of the fact that many people were temporarily and too optimistic about the UN's ability simply because the Cold War had ended. It means that our assessment of post-Cold War realities and the abilities of the United Nations was too optimistic.

Despite this, we force the United Nations to solve difficult disputes, and then criticize it or express excessive disappointment when it fails to deal with them properly. This is like putting the cart before the horse. We should not try to force the United Nations to do things beyond its ability.

Many people probably feel that "there is nothing new in saying" that true security cannot be achieved without economic development and the eradication of poverty. This is because it is questionable whether major countries or the world economic system led by the major powers have so far truly tried to develop the economies of the nations of "the South" and establish democracy there in earnest.

The world now wonders why the United Nations neglected to provide help in Haiti—where exploitation and poverty have continued for a long time—to tackle the root cause of the political and economic problems, yet has embraced the surgical measures, or the occupation by multilateral forces (U.S. forces, in fact) which have been taken.

Some developing countries, indeed, have expressed dissatisfaction that the United Nations has paid so much attention to PKO activity.

What is also important is that the United Nations should establish standards or criteria for political and military intervention—such as whether the United Nations should intervene in a country or have its intervention approved.

The United Nations possesses two important attributes, its reliability and dignity. The way to maintain and enhance them is to have the organization fulfill its duties within the scope of its abilities and to make efforts toward economic development, preservation of global environment, disarmament, and other problems without losing sight of the long-term objectives.

It is with these points in mind that UN reorganization and Japan's bid for a permanent UNSC seat have to be dealt with.

Tokyo Isolation on Currency Seen at G-7 Meeting

952A0006A Tokyo NIKKEI KINYU SHIMBUN in Japanese 3 Oct 94 p 1

[Article by Madrid correspondent Takeshi Niimi in "Angle" column: "G-7 Does Not Address 'Currency Situation,' Underscoring Japan's Isolation, Paving Way for Drop in Value of Dollar"]

[FBIS Translated Text] In summary, U.S. Secretary of Treasury Lloyd E. Bentsen stated, "We have agreed to continue our close coordination striving for stabilization of foreign exchange rates." Pronouncements at the G-7 conference of finance ministers and central bank presidents in Madrid were temporized by such hackneyed statements with an eye on the Japan-U.S. framework talks continuing on the other side of the Atlantic in Washington, D.C. However, the words "close coordination" are a cover for a variety of attitudes on the part of Japan, the United States, and Europe:

Japan—Would like to depend on tax reform, which has questionable immediate impact, to inspire a strong dollar-weak yen mood in the markets, and to use those two factors as a tailwind for economic recovery.

The United States—Would like to maintain current foreign exchange levels in view of unstable long-term interest rates, though it does not insist on using foreign exchange rates as a means to correct the trade imbalance.

Germany, Great Britain, and France—Feel that an adverse reaction can be inspired by focusing to foreign exchange rates when concern about them has diminished and especially when the economy has finally reached the recovery stage. The region will not oppose participating in coordination to corroborate foreign exchange rates in order to avoid being adversely affected by the destabilizing Japan-U.S. framework talks, but feels it does not want to be bothered by the complex Japan-U.S. trade imbalance issue.

A look at the current monetary environment shows that the dollar-mark exchange rate has stabilized at 1.55 marks to the dollar. Long-term interest rates sit at high plateaus, "having been boosted to levels that are higher than necessary owing to inflation fears of the markets," according to Chancellor of the Exchequer Kenneth Clarke of Great Britain, but the uneasiness that prevailed in the world markets from spring to summer is now rapidly subsiding.

A general election is scheduled to take place in Germany on 16 October, and a presidential election is scheduled in France for next year. Even in the United States a midterm election will take place shortly. For the United States and the European nations, the recent G-7 meetings had no effect on the markets, and the major focus, according to French Minister of Economy Edmond Alphandery, was on "how to nurture the economic recovery," while the foreign exchange issue posed no more of a problem than so much "static."

The common perception of G-7 nations other than Japan is that "foreign exchange rates have stabilized in the past two months," according to U.S. Treasury Secretary Bentsen. Additionally, Bundesbank President Hans Tietmeyer comments, "Foreign exchange rates of G-7 member nations in the past several months as a whole have been quiet and at appropriate levels." When Finance Minister Takemura expressed the view that "recent foreign exchange rates are influenced by unstable speculative moves," in an attempt to confirm an agreement to continue close coordination, it in effect helped to magnify the fact that the United States and Europe are satisfied with current foreign exchange rates and gave the impression that Japan had isolated itself.

Now that the Japan-U.S. economic framework talks have reached agreement in three sectors, including government procurement, and sanctions against Japan are expected to be limited, it appears that the foreign exchange markets will give priority to the buying of dollars. However, markets have a habit of challenging the "complacency limits" of monetary authorities. It seems it will not be long before the markets will make a move to test the lows of the dollar. Just as the European and U.S. authorities fear, the strategy used by Japan at the recent G-7 meetings may have been a dangerous option like poking at a hornets' nest.

G-7 Differences on Exchange Rates Assessed

952A0007A Tokyo NIHON KEIZAI SHIMBUN in Japanese 3 Oct 94 p 5

[Article by Madrid correspondent Tetsuya Minoru: "Comments by G-7 Leaders Underscore Currency Split; U.S., Europe See No Need To 'Stabilize Markets'; Further Rise in Yen Possible."]

[FBIS Translated Text] Finance Minister Takemura's appeal and desperate coordination of administrative authorities at the G-7 conference of finance ministers and central bank presidents barely enabled the inclusion of a passage on stabilization of foreign exchange rates in the chairman's statement announced on 1 October. However, the passage consisted of one short sentence merely reconfirming "continuation of close coordination." Reaction by European nations and the United States to the effect that, "Why does Japan raise such a commotion when recent foreign exchange rates have stabilized," can said to have manifested itself in a brusque statement. Differences in attitudes about foreign exchange rates between Japan and the United States and Europe inspired undesirable impressions of the "weakness of multinational coordination." If the markets focus on this point, there is the possibility that the yen will advance further in value.

At the afternoon session of the G-7 on 1 October, Finance Minister Takemura appealed for a statement by saying, "Foreign exchange rates face an unstable situation and are subject to speculative moves," and "If the strong yen trend advances further, Japan's economy will be dealt a blow and it will affect all nations in attendance." However, according to German sources attending the meeting, not one nation voiced definite agreement with Finance Minister Takemura's statement.

After the G-7 meeting ended, Finance Minister Takemura boasted, "We were able to reconfirm close coordination because we were able to attain the understanding of the participating nations." Moreover, in response to assertions from the press corps that an agreement of that magnitude could not be considered significant, sources accompanying the finance minister retorted, "The recent agreement on foreign exchange rates provided no assessment on exchange levels, but it is common sense that such agreements cannot go that far."

However, the finance ministers agreement at the Naples summit of advanced industrialized nations actually referred to rate levels, saying, "A further drop in the dollar is not desirable and cannot be justified," and we cannot deny that, by comparison, the recent G-7 announcement left much to be desired.

In reality, in comparison to the Naples summit, the European and U.S. authorities who attended the recent G-7 meeting projected a very frigid air. German Bundesbank President Hans Tietmeyer declared, "There is no need to exercise special concern for foreign exchange rates based on the situation in the foreign exchange markets." Even the United States, which once feared the adverse effects of the worsening drop in the dollar on financial markets, in the face of improving prospects for reaching an agreement in three sectors in the Japan-U.S. economic framework talks, has expressed itself with much composure, such as when Treasury Secretary Bentsen said, "It is interesting to note that exchange rates have stabilized in the past two months."

Foreign exchange rates at 98 yen to the dollar barely changed between the Naples summit and just before the recent G-7 meeting. Japan believes that this exchange rate level reflects an excessively strong yen, and would like to inspire a mood to correct the strong yen trend and use such a move to prop up the Japanese economy. The U.S. sense of crisis because of the weak dollar has diminished and it perceives an entirely different situation, despite similar exchange levels between the exchange rate trends immediately before the Naples summit and the little changed rates prevailing during the recent G-7 meetings. Germany feels that the current high value of the mark is desirable for maintaining price stability. It can be said that this "difference in attitudes" towards the foreign exchange issue was much greater than anticipated by Japan prior to the G-7 meeting.

The view has spread that we will see a lull in fears of the dollar dropping further because of the agreement reached in three sectors in the Japan-U.S. framework talks. However, if the difference persists in the perception of foreign exchange rates between Europe-United States and Japan, the possibility is strong that we will witness an intensification in obscure foreign exchange trends.

Editorial Predicts End to G-7 Era

952A0009A Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Oct 94 p 2

[Editorial: "Madrid International Financial Meetings Demonstrated End of G-7 Era"]

[FBIS Translated Text] The series of international financial conferences held at Madrid gave the impression that we are seeing the end of the G-7 era. In contrast to the failure of the seven-nation conference of financial ministers and central bank presidents to make any decisions and its transformation into a rich nations club, the International Monetary Fund (IMF) interim committee involved aggressive pronouncements by developing nations and suspended allocations of funds on which advance decisions had been made. It was probably the first time that decisions made by the advanced industrialized nations had been nullified in the 50-year history of the Bretton Woods agreement.

It was either the G-5 or the G-7 that became the focus of attention at international financial conferences ever since the Plaza Accord. Management of international financial systems has been the exclusive province of advanced industrialized nations as protector of currencies. The interim committee which was supposed to be the de facto policymaking organ of the IMF merely served as a forum for reading speeches prepared by each country represented.

That picture changed this year. The IMF interim committee has become a forum for active debate not witnessed in recent years. In response to proposals by the advanced industrialized nations to distribute 16 billion in special drawing rights (SDR) (about $23 billion), developing nations objected, saying, "The amount is too little and is biased in favor of Russia." The leaders of the objection movement included India and Brazil which have expressed an interest in becoming permanent members of the UN Security Council.

Advanced industrialized nations such as the United States and Germany felt that excessive allocation of SDR's which is an artificial currency, would result in the risk of inflation and felt that priority should be given to the transition to market economies in countries like Russia. The response was the filing of an objection by developing nations that face difficulties in the form of capital shortages and the suspension of the new distribution for SDR's. The scenario consisted of a situation in which the developing nations exercised "veto powers" against advanced industrialized nation initiatives centered on the G-7.

On the other hand, the G-7 conferences ended quietly. The various nations gave a very cold reception to Japan's assertion that the strong yen had advanced too far. The G-7 conferences ended with a noncontroversial summary statement by the chairman, declaring that the global economy had extricated itself from recession. The G-7 has taken a quiet approach because of its judgment that, contrary to intentions, issuing joint statements about the foreign exchange markets can bring turmoil to the markets. This situation indicates that the G-7 currency authorities can no longer control the expanding markets.

The declining status of the G-7 and the renewed energy displayed by the IMF interim committee, in a sense, testifies to the leveling of the global economic playing field. Developing nations have increased their production capacity, while endeavoring to gradually enhance their voice concerning the international system.

It is possible that future global financial arenas will be shifted from the G-7 to the IMF interim committee, which is composed of both advanced industrialized nations and developing nations. Paul A. Volcker, former U.S. Federal Reserve Bank chairman, issued a letter in advance of the international currency conference to currency authorities of the various nations suggesting the need to reinforce the functions of the IMF interim committee in the area of policy surveillance.

Questions remain about whether Japan's currency authorities are taking action in response to such changes in international financial systems. One can get an idea of Japan's posture by the fact that Finance Minister Takemura merely attended the G-7 meetings and failed to appear at the IMF interim committee meetings. We are past the stage where we can survive by merely appealing to the G-7 that the "yen is excessively valued." Now is the time for Japanese currency authorities to actively make proposals concerning the reform of the IMF and World Bank and the operation of the IMF interim committee.

JCIF Director Comments on SDR Allocation

952A0005A Tokyo NIHON KEIZAI SHIMBUN in Japanese 3 Oct 94 p 41

[Interview with Tomomitsu Oba, director, Japan Center for International Finance (JCIF), by unidentified reporter; place and date not given: "IMF Allocation of SDR for New Member Countries"]

[FBIS Translated Text] [NIHON KEIZAI SHIMBUN] It appears that an agreement was reached at the seven-nation (G-7) conference of finance ministers and central bank presidents on the avoidance of sharp rises in long-term interest rates and stabilization of foreign exchange rates?

[Oba] According to the International Monetary Fund (IMF), the real economic growth rate in 1994 in advanced industrialized nations will average 2.7 percent. Among them, the United States, Great Britain, and Canada will register higher rates in the 3- to 4-percent range. Other nations are experiencing incipient recoveries. Finance ministers attended the conference with greater optimism than in the past. However, even if the global economy recovers, fears of inflation will rise if foreign exchange rates fail to stabilize and long-term interest rates climb. We need to forestall inflation.

[NIHON KEIZAI SHIMBUN] This year marks the 50th anniversary of the launching of the Bretton Woods system. What do you think about the call to revise the system?

[Oba] It is a fact that certain aspects of the World Bank and the IMF overlap. I would say that there is a need to implement a kind of reform such as the clarification of functional assignments.

An aspect that has changed significantly since the launching of the system is that private-sector financial institutions are operating on a global basis. Even without using IMF funds, countries are able to raise capital freely in the currency and capital markets as long as they are able to establish credit.

[NIHON KEIZAI SHIMBUN] What do you think of the Bretton Woods reform committee's recommendation on flexible foreign exchange ranges?

[Oba] The concept involves establishment of semifixed foreign exchange rates which would be allowed to fluctuate within a certain limit. After the Bretton Woods system was established, fixed foreign exchange rates were maintained for 30 years and then followed by 20 years of variable exchange rates. However, I feel that we should continue accumulating experience under the current system for another 10 years until the duration for variable rates lasts for the same number of years as the former fixed rates.

I say so because it is very difficult to artificially stabilize foreign exchange rates. The 1987 ruble agreement, reached in an effort to prevent further deterioration in the value of the dollar, collapsed in several months. Even in Europe a similar upheaval in foreign exchange rates occurred in August 1993. The European exchange rate mechanism (ERM) self-destructed when the fluctuation limit was expanded from 2.25 percent to 15 percent.

[NIHON KEIZAI SHIMBUN] What will be the focus of attention at the annual meeting of the IMF and World Bank?

[Oba] The annual meeting will serve as the concluding session for the series of important meetings such as the G-10 meeting of finance ministers and Central bank presidents' of 2 October and the World Bank-IMF Joint Development Committee meeting of 3 October; 179 member nations will be in attendance, with speeches made by ministers of finance.

The IMF Provisional Committee will discuss distribution of special drawing rights (SDR), which have not been allocated since 1982, and the Belgian finance minister, who serves as chairman of the committee, will report on the results of the committee meeting at the annual meeting.

The IMF meetings will be attended by 37 new member nations that have shifted to market economies, such as Russia and Ukraine. All of these nations became members of the IMF when SDR's were not being distributed, creating a situation at the meeting where allocations to such countries will become the focus of attention.

Competitive Bidding for ODA Projects To Begin

OW1110110194 Tokyo KYODO in English 1040 GMT 11 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 11 KYODO—Japan's overseas assistance body will introduce a competitive bidding system for the government's technical aid programs as part of its measures to prevent questionable bidding practices by trading companies, Foreign Ministry officials said Tuesday [11 October].

The Japan International Cooperation Agency (JICA) also will beef up its monitoring systems and promote the publicizing of information on projects funded by Official Development Assistance (ODA), the officials said.

JICA's announcement of the improvement measures follows a probe last month by the Fair Trade Commission (FTC) into 37 major trading companies on suspicion of bid-rigging practices for purchases of equipment and materials for ODA projects.

The FTC suspects the trading companies decided in advance which would win in bidding on government contracts for the procurement of building materials and other items required for ODA-financed projects in developing countries.

The 37 companies had been chosen from almost 100 this year to bid on large projects carried out by the Foreign Ministry-affiliated JICA.

Among the companies that allegedly violated the antimonopoly law were some of Japan's best-known trading giants—Itochu Corp., Mitsubishi Corp., Marubeni Corp. and Nichimen Corp.

JICA will introduce the competitive bidding system in principle as soon as preparations are set to boost transparency of the procurement system, and to secure fairness and competitiveness, the ministry officials said.

It plans to introduce the system for cases that are more than 100 million yen starting this year, and for cases more than 25 million yen from fiscal 1995, the officials said. Japan's fiscal year starts in April.

Any company fulfilling certain qualifications, such as its capital, manufacturing amount and number of employees, will be able to join the bidding, they said.

By introducing the measure, the officials said, the number of companies capable of taking part in the bidding are likely to be far greater than the current 37.

Meanwhile, the ministry will ease the standards of qualification for Japanese companies that can take part in the bidding for projects funded by Japan's grant-in-aid to developing countries, the officials said.

Osaka APEC Meeting To Support Industries

OW1110065294 Tokyo KYODO in English 0635 GMT 11 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 11 KYODO—Trade ministers from countries of the Asia-Pacific Economic Cooperation (APEC) forum will meet in Osaka on Oct. 22-23 to discuss ways to foster "supporting industries" in the area, Japanese Trade Ministry officials said Tuesday [11 October].

The general perception in the 17-member APEC is that small companies could play a key role in achieving sustained economic growth in the Asia-Pacific region, the officials said.

The coming ministerial meeting on small firms, the first of its kind by APEC, will explore ways to overcome various hardships facing such companies, ranging from backwardness in human resources and technological development to difficulties in raising money, the officials said.

The conference is based on a Japanese proposal for reinforcing a policy dialogue on development of small companies in the Asia-Pacific region, which was unveiled at the informal summit meeting of APEC in Seattle last November.

Japanese International Trade and Industry Minister Ryutaro Hashimoto will chair the Osaka gathering, which will draw trade and economic ministers from the 17 APEC members and Chile, a country that will become an APEC member soon.

Representatives from the private sector will also attend, including those from Osaka-based small companies and the Pacific Business Forum, an APEC suborgan.

Development of supporting industries is important, especially for economies of developing countries and newly industrializing economies of Asia, in terms of job creation and improvement in international balances of payments, the officials said.

Japan, the United States and Australia say one key to solving employment problems in the Asia-Pacific area is linked to how new business could be created among small companies there, the officials said.

The coming Osaka meeting will begin with Japanese Trade Minister Hashimoto's keynote address on Oct. 22. The first-day will center around a banquet that Hashimoto will host and bilateral meetings among the APEC countries, the officials said.

Discussions are slated for the second-day session of Oct. 23, the ministers will adopt a joint statement at the end of the gathering. Agreements reached at the conference will be reported to the Second APEC Informal Summit in Bogor, Indonesia, on Nov. 15, the officials said.

Russian Support for Return of Island Increases

OW0810154594 Tokyo KYODO in English 1459 GMT 8 Oct 94

[FBIS Transcribed Text] Moscow, Oct. 8 KYODO—The number of Russians endorsing the return of disputed islets off Japan's northernm?t main island of Hokkaido to Japan sharply increased in a survey right after a powerful quake jolted the islands, a private Russian research center said Saturday [8 October].

The survey showed 89 percent of those polled in Vladivostok in the Russian Far East said Russia should return them to Japan, a sharp increase from the previous figure of 60 percent in may.

In Moscow, the figure skyrocketed to 60 percent among respondents from about 10 percent in the previous survey.

Those who backing the islets' return cited economic burdens for Russia in maintaining the islands, the survey said.

The center conducted the survey on 2,000 residents—half in Vladivostok and half in Moscow—but it is not clear how many actually responded.

A powerful quake rocked extensive areas of northern Japan and the islands off Hokkaido, including the four disputed islets—Kunashiri, Etorofu, Shikotan and the Habomai group of islets—on Tuesday evening.

The tremor killed at least six Russian residents and left at least five missing, and left more than 1,000 homeless. More than 300 Japanese were injured, chiefly on Hokkaido.

The four islets were seized by the former Soviet Union at the end of World War II and Japan has claimed sovereignty over the islands.

Tokyo To Increase Defense Exchanges With Russia

OW0910094994 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Oct Morning Edition p 2

[FBIS Translated Text] The government is to step up the exchanges of defense officials with Russia. It is planning to send the head of the Defense Agency's [DA] Defense Policy Bureau to a security seminar scheduled in Moscow in late November, and intends to deepen mutual understanding between the two nations by upgrading the level of exchanges.

The decision stems from the government's judgment that it must promote dialogue between the defense authorities of the two nations if it is to deal with the level of international uncertainty in the post-Cold War era.

The government hopes to arrange an exchange of visits by the defense ministers and even joint military drills.

Part of the program of bilateral exchanges of defense officials has seen a "Japan-Russia policy planning forum" in which the DA and diplomatic authorities took part, and various "Japan-Russia scholarly exchanges" involving people from defense research institutes. In addition, as a confidence-building measure, Japan has concluded with Russia an accord on preventing marine accidents.

While governmental talks have been promoted, there have also been exchanges of "sub-governmental" level officials, organized through "the tripolar forum on security in the North Pacific region," which comprises private organizations involved in security issues from Japan, the United States, and Russia.

Although the DA's defense councillors have so far participated in this forum, the government is now considering sending the defense policy bureau chief instead. If the plan materializes, it will eventually upgrade the level of Japan's defense exchanges with Russia.

Top Official on Fishery Treaty With Russia

OW0810091394 Tokyo TOKYO SHIMBUN in Japanese 7 Oct 94 Morning Edition p 1

[FBIS Translated Text] A top Foreign Ministry official on 6 October indicated he would like to see a treaty signed between Japan and Russia to allow Japanese fishing boats to operate safely in waters off the four Northern Territories islands by the time Russia's First Deputy Premier Oleg Soskovets visits Japan in late November.

A series of incidents has been reported recently in which Russian coast guards have shot at Japanese fishing boats. Unless such incidents are stopped, Japan's diplomatic plans to take advantage of Soskovets' visit to create the right conditions for dialogue between the two countries will come to nothing. That is why the Foreign Ministry wants a treaty concluded before the first deputy premier's visit.

In the treaty, Japan wants to ensure that Japanese fishing boats can operate safely in waters off the four Northern Territories islands by providing funds to Russia under such guises as the 'fund for preserving fishery resources.'

Tokyo To Change Terms of Yen-Based Loans to China

OW1110044994 Tokyo ASAHI SHIMBUN in Japanese 10 Oct 94 Morning Edition p 1

[FBIS Translated Text] With the Japanese Government trying to change the terms of its yen-based loans to China, the two governments are now holding a working-level meeting to discuss details of the 4th yen-based loans. The Japanese Government, which has so far concentrated on yen-based loans for infrastructure, has decided to give loan priority to agricultural and environmental sectors as well. Japan, which has so far set the period of the yen- based loans to China at five or six years, has also decided to shorten the period. Commenting on these changes, the Foreign Ministry explained: "The government made the decisions to respond flexibly to changes in China's demands." Nonetheless, the decisions are seen as Japan's political response to China, which has continued to increase its military spending and defy international calls for a halt to its nuclear tests.

The Japan-China working-level meeting, now discussing the 4th yen-based loans, will finalize the details late this year. The 4th yen-based loans will be incorporated into China's Ninth Five-Year Plan to be deliberated at the National People's Congress scheduled to be held next spring, and China hopes the loan details will be finalized by the end of this year.

So far, Japan has extended three yen-based loans to China focusing on the development of infrastructure, such as ports and roads. The Japanese Government has decided to shift a substantial amount of the 4th yen-based loans to anti-pollution equipment in the environmental sector and irrigation facilities in the agricultural sector.

This shift in loan priority is aimed at preventing China from inflicting acid rain damage on Japan. The major reason for the shift is Japan's concern over China becoming a military power.

At a meeting in March with Chinese Premier Li Peng in Beijing, former Prime Minister Hosokawa said Japan will give consideration to the military spending of recipients of Japanese aid, and attach great importance to the principle of the Guidelines of Official Development Assistance (ODA) when it extends loans to other nations. During the meeting, the prime minister also expressed deep concern over China's military spending which is known to have grown at an annual rate of about 20 percent. There is a view that the government has decided to increase the portion of the 4th yen-based loans for the environmental sector with the aim of cutting back on loans for the construction of ports and roads, which may be used for military purposes.

China conducted nuclear tests in June and on 7 July this year. In response, Hiroshi Hirabayashi, director of the Economic Cooperation Bureau of the Foreign Ministry, told a minister at the Chinese Embassy in Tokyo that if China continues its nuclear tests, Japan will review the loans.

The Japanese Government, which has decided to shorten the loan period, will adopt a "three-plus-two" formula under which the details of yen-based loans to China are finalized during the initial three years and the loans are extended during the remaining two years. Former Foreign Minister Tsutomu Hata notified the Chinese side of the Japanese Government's plan to adopt the formula when he visited in January this year.

In principle, Japan decides on the amount of ODA every year. However, it has adopted a long-term loan formula for China as a special case, out of consideration for issues of "the past" (according to a senior Foreign Ministry official). Commenting on changes in the 4th yen-based loans, the Foreign Ministry explained that the conventional long-term loan approach is unable to respond flexibly to changes in China's demands as its economy has grown at a faster rate than anticipated.

Of late, some dietmen affiliated with the Liberal Democratic Party and Social Democratic Party of Japan are said to have urged the Foreign Ministry to review Japan's yen-based loans to China, asking: "How about reviewing Japan's yen-based loans to China, which has become a big power?" The Foreign Ministry, however, insists: 1) China's per capita income is only $380 and Japan still needs to provide aid; and 2) if Japan helps China promote the latter's open door and reform policy through aid, it will serve to stabilize China and Asia. In this way, the Foreign Ministry takes the position that Japan should continue economic aid to China in the future.

Meanwhile, China did not boycott the Asian Games while reacting strongly against the attendance by a Taiwanese leader. The prevailing view within the Japanese Government, especially the Foreign Ministry, is that China did not boycott the games because it could not ignore economic cooperation with Japan and the 4th yen- based loans. There is a growing mood among some junior officials in the Foreign Ministry to think of ways to deal with China without treating it as a special nation.

Toyota To Propose Corona as Model for Chinese

OW0810051394 Tokyo KYODO in English 0300 GMT 8 Oct 94

[FBIS Transcribed Text] Nagoya, oct. 8 KYODO—Toyota Motor Corp. is planning to propose its Corona-class car with displacement of 1500-2000 cc as a model for China's national car development project, company officials said Saturday [8 October].

Toyota plans to made the proposal at a "family car seminar" which will open in Beijing on Nov. 14, the officials said.

China is inviting 18 automakers from Japan, the United States and Europe to the seminar and they will propose ideas on China's national car plan, the officials said.

As China was believed to be looking for a 1000-1600 cc car priced at less than 500,000 yen, Toyota had so far been considering to propose its Corolla model for the Chinese project.

However, Toyota has changed its mind and is planning to propose the Corona model since a sedan-type car is thought to be more suited as a family car in the Chinese market, the officials said.

Toyota is now negotiating with China's Tianjin Automobile Industrial Corp. to enter a passenger car joint venture.

Outstanding Loan Balance Grows Rapidly in Asia

OW0810005494 Tokyo NIHON KEIZAI SHIMBUN in Japanese Morning Edition 7 Oct 94 p 5

[FBIS Translated Text] The amount of outstanding loans to Asian countries by Japanese banks' is growing rapidly and as of the end of September it had increased by nearly 12 percent over the same period of the previous year. It seems it will exceed 100 billion dollars for the first time ever. The sharp increase is attributed to the robust demand for funds by Asian nations for building their infrastructure, coupled with the capital spending needs of Japanese- affiliated firms operating in Asia. Following sluggish investment in plants and equipment in Japan, the amount of outstanding loans is decreasing at home. By contrast, outstanding loans to Asian countries increased about one trillion yen in one year. Japanese banks are planning to increase the amount of outstanding loans to Asian countries to make up for the sluggish demand for loans at home. Asia is becoming a larger loan market than Europe.

Regarding loans to other countries, a major financial institution conducted a survey on city, long-term credit, and trust banks as well as the top ten local banks in late August. The survey was conducted to determine the actual dollar amount of outstanding loans provided to foreign governments and companies as of the end of September.

The total overseas loan balance is estimated at just under 390 billion dollars as of the end of September this year, down slightly from a year ago (a little more than 390 billion dollars), and about the same as the figure posted at the end of March. However, as regards the rate of increase of outstanding loans per region, the amount of outstanding loans in Asia as of the end of September grew to about 26 percent, matching the figure for lending to Europe. The figure for North America, which has been hovering around 40 percent for the past two to three years, was 39 percent.

The percentage of loans extended to Asian countries, which was 22 percent at the end of March 1993, gained 4 points while the percentage for Europe dropped to 26 percent, a four-point loss. The increase in Asia is making up for the loss in Europe. The city banks are planning to boost lending to Asia in the second half of fiscal 1994, too. It is almost certain that the percentage in Asia will exceed that for Europe by the end of the same fiscal year.

Demands for funds, which will be used for improvement of infrastructure, including electric power stations and communications and transportation networks, are rapidly growing in China, Indonesia, and Thailand. Loans for investment in local companies and projects increased by about 15 percent. Loans to Japanese-affiliated companies operating in Asia also increased by 8 percent. An official of a top city bank said: "Many companies are borrowing money for improvement of their facilities and expanding their market. The number of loan applicants is beginning to grow too." In the case of Sakura Bank, it is expected that an average amount of outstanding loans in Asia as of the first half of fiscal 1994 grew by slightly less than 12 percent compared to that of the same period of the previous year. This is more than the anticipated rate of increase. The Dai-Ichi Kangyo Bank and the Sanwa Bank also increased the amount of their outstanding loans to Asia by nearly 10 percent in the first half of this fiscal year.

On the other hand, the domestic lending rate is staying low due to sluggish investment in plants and equipment. It seems that the total amount of outstanding loans by the 11 city banks alone at home will drop by about 3 trillion yen during the first half (from April to September) of fiscal 1994. Japanese banks are setting a target of "accumulating prime assets" in an attempt to pay off bad debts. However, they are having difficulties in countries that are not in Asia.

Finance Ministry To Enhance Customs Inspection

OW1110095694 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Oct 94 Morning Edition p 3

[FBIS Translated Text] Following the GATT Uruguay Round agreement on stricter crackdown on marketing fake brand-name goods and protection of intellectual property rights, the Ministry of Finance has decided to post specialists at nine customs houses nationwide. The ministry started negotiating with the Management and Coordination Agency [MCA] which controls the number of civil servants. It aims at imposing stricter crackdown on the import of illegal products by posting customs inspectors specializing in the clampdown of fake brand-name products and other commodities.

The Finance Ministry regards "stronger protection of intellectual property rights to be an international commitment at the Uruguay Round." It requests that specialists be posted when the World Trade Organization, or WTO, is inaugurated in January 1995. MCA is reluctant about increasing the number of customs specialists. Thus, the negotiation is expected to have a rough going.

The Finance Ministry plans to station "intellectual property rights inspectors" (tentative name) at customs houses throughout the nation, and, "comprehensive intellectual proterty rights inspectors" (tentative name) at the Tokyo customs house, who will supervise all the inspectors in Japan.

Stricter crackdown is to be implemented because, as a customs source says, "ways of violating intellectual property rights have become subtler and trickier; it is becoming harder to tell whether it is a violation or not."

After the ordinary amendments to customs-related laws submitted to the current extra Diet session are approved, there will be a new system that will allow holders of distributorships of brand-name products to ask that fake brand-name goods be banned from being imported from January 1995. The specialist inspectors that the Finance Ministry is planning to station will conduct inspections in answer to such requests.

Editorial Urges Banks To Disclose Bad Debts

952A0008A Tokyo YOMIURI SHIMBUN in Japanese 5 Oct 94 p 3

[Editorial: "More Positive Attitude by Banks Toward Disclosure of Nonperforming Asset Information Urged"]

[FBIS Translated Text] Japan Mortgage, headquartered in Tokyo and holding huge nonperforming loans and having fallen into a situation where obligations exceeded assets, filed a petition for special liquidation with the Tokyo District Court. It represents historically the third-largest bankruptcy, with liabilities in excess of 500 billion yen.

The company is a nonbanking institution which borrows funds from banks to perform loan functions, but many such firms faced operational difficulties with the collapse of the bubble, and the situation is such that the huge nonperforming loans of lending banks could trigger instability in the credit markets.

However, banks have been shoring up such nonbanking institutions with reductions and exemption of interest payments and have dedicated themselves to waiting for a possible recovery in the real estate markets.

The liquidation of Japan Mortgage indicates that principal banks have abandoned waiting tactics and have opted for a new approach to seek rapid disposal of huge nonperforming bonds. Banks will be forced to assume large burdens, but they cannot hope for an early recovery of the real estate markets even if they were to opt for continuation of their waiting tactic. We should recognize this wise decision.

We would like to see banks promote smooth coordination among parties concerned in the future collection of loans and build a new paradigm for the disposal of nonbank problems.

The system for coping with the issue of disposing of nonperforming loans that accompanied the long recession has been stabilized to a degree with measures such as the restoration in liquidity of loans through establishment of the Cooperative Credit Purchasing Company and special-purpose companies and flexible operation of depreciation systems.

Major banks have sold stock to achieve huge depreciations and it has reached the stage where they foresee the disposal of all of their publicly announced bad loans within one or two years. Now that an economic recovery has been declared, the financial world is witnessing the spreading of the sentiment that it would "like to forget its problems of the past."

However, the issue of unpublished nonperforming loans of nonbanks including housing loan specialty companies which face a crisis are yet to reveal a serious situation.

Loans to nonbanks which have been afforded interest payment reductions or exemptions have not been published because they are said to be inapplicable under Japan's definition of bad loans defined as "those issued by failed establishments or where interest payments have not been made on schedule." In reality, the unpublished portion of bad loans far exceeds that of the published portion and represents a potential powder keg reaching several tens of trillions of yen.

Moreover, the situation extensively involves small and medium financial institutions and farm association-affiliated financial institutions with fragile operating bases, making the situation even worse. There has to be a limit to delaying the solution. The overall drop in interest rates has even canceled out the effects of financial aid extended through reduced interest charges and exemptions. Both government and the financial world must not relax their effort to resolve the problem.

The abnormal loan competition during the bubble period was the primary reason for the creation of huge amounts of bad loans at financial institutions, but incomplete disclosure of the management information has concealed the real situation. Although not complete, major Japanese banks began disclosing bad loans last year.

In the case of U.S. financial institutions, which were troubled by and recovered from the bad loan issue in the 1980's, the information available on their bad loans covered a broad spectrum and was clearly categorized such as "loans to businesses undergoing restructuring" and "property which has been foreclosed and taken over by banks." Japan should make an effort to provide for similar disclosures as soon as possible.

The financial industry is experiencing active trading in derivatives, which enable speculation in vast volumes of securities with very limited capital. Errors in risk management could very well lead to a "second nonbanking problem."

Disclosure is a key to nurturing the effectiveness of financial transactions and preserving public interests. The role of disclosure becomes increasingly crucial amidst the expansion of banking operations accompanying deregulation.

Deregulation Group 'Should' Include Private Sector

OW0910073494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Oct 94 Morning Edition p 5

[FBIS Translated Text] Shoichiro Toyoda, chairman of the Federation of Economic Organizations of Japan [Keidanren] visited Prime Minister Tomiichi Murayama at his official residence on 7 October for an exchange of views on administrative reform. Toyoda stressed: "In drafting the five-year program for the promotion of deregulation, a working group, including private sector members, should be set up under the administrative reform promotion headquarters."

He also urged the early approval of a bill to establish the administrative reform council, which will monitor the progress of administrative reform, so that the council can be set up soon.

Murayama said: "Although administrative reform is not an easy task, I would like to faithfully carry it out. Priority should be given to studying the question of the working group."

The Management and Coordination Agency [MCA] plans to take into consideration the opinions of ministries and agencies in designing the five-year deregulation program. It believes there will be no problem in drafting the plan without input from the private sector if members from it are included on the administrative reform council.

According to a Keidanren secretariat official, however: "The plan should reflect public opinion or bureaucrats will take the lead in mutilating the deregulation program."

The two sides, therefore, have not yet reached agreement.

Car Service Industry Concerned by Deregulation

OW0910120894 Tokyo ASAHI SHIMBUN in Japanese 8 Oct 94 Morning Edition p 12

[FBIS Translated Text] The Ministry of Transport [MOT] and the automobile maintenance service industry are greatly concerned lest the application of the U.S. Trade Act's 301 provision on replacement parts of Japanese automobiles should lead to further deregulation or abolition of the routine vehicle inspection and maintenance system. The application of the 301 provision (sanctions against unfair trade practices) has come as a result of the Japan- U.S. economic framework talks.

Even Japanese have strong complaints about the current routine inspections, claiming that the system results in unnecessary and excessive maintenance services on their vehicles. Consequently, some of the inspections are set to be simplified beginning in July next year. However, prompted by the U.S. demands, it is possible that voices demanding further easing of the system will grow in Japan.

What the United States demanded be abolished was the system that requires inspections to be conducted each time major safety-related parts are repaired or replaced (bunkai seibi). According to the MOT, this system exists uniquely in Japan and is absent in the United States or Europe. Because of this system, about 83,000 maintenance service shops with licenses to conduct vehicle inspections are almost monopolizing this bunkai seibi service business. About 20 percent of the licensed service shops are said to be affiliated with auto dealers, and they are said to be resistant about using foreign-made parts.

Japan's vehicle inspection system requires vehicle owners to have their vehicle's inspected [shaken] every two years and routine inspections (teiki tenken) every six months. Very often, when the [biannual] teiki tenken is conducted, such parts as clutches and brakes are replaced, and since that means major safety-related parts need to be replaced [bunkai seibi], almost always teiki tenken is conducted by licensed shops.

When a vehicle owner requests a maintenance shop to conduct biennial shaken on his vehicle, the fee for the inspection itself runs to only 10,000 yen, but since he is required to have biannual teiki tenken at the same time, that costs him about 67,000 yen more (according to a survey done by the MOT). In the process, the maintenance service shops tend to change even parts that do not need immediate replacement, and vehicle users harshly complain that the shops are "intentionally raising the costs of vehicle inspections."

According to the Japan Automobiles Maintenance Service Promotion Association (Nisseiren), an organization representing licensed maintenance shops, the total revenues for the maintenance industry were 6.38 trillion yen in 1993, and 45 percent of that came from the services stemming from biennial shaken and biannual teiki tenken. In other words, even when there were no accidents or mechanical troubles involving the serviced vehicles, demand for maintenance was always high.

If the present system of allowing only the licensed service shops to conduct inspections is abolished, and if the system of conducting the [biannual] teiki tenken is either abolished or eased, many gasoline refueling stations will start to provide that service or the users will do the job themselves, thus inflicting major damages on the maintenance service industry.

Nisseiren Managing Director Yukio Kobayashi criticized the U.S. demand, saying: "We cannot support an action that will result in the loss of business." When the MOT said "the U.S. demand affects the basics of the vehicle inspection system itself," the ministry in fact revealed how concerned it was about the possible collapse of the current system of having MOT-licensed maintenance shops conduct teiki tenken.

U.S. Ambassador to Japan Walter Mondale took the trouble of issuing a statement saying "we are not asking for the abolition of the vehicle inspection system." The MOT and maintenance service industry think: "The United States is also aware that if shaken and teiki tenken are abolished, market demand for replacement parts will fall, and that will not benefit parts manufacturers."

The teiki tenken system's deregulation will take effect in July next year, and this will mean: 1) the inspection will be conducted once a year instead of every six months, 2) the number of items to be checked will be halved; and 3) vehicles can receive their [biennial] shaken at MOT-operated inspection shops without receiving teiki tenken in advance.

FTC Plans To Revise Publications Resale System

OW1010091894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Oct 94 Morning Edition p 3

[FBIS Translated Text] The Fair Trade Commission [FTC] has started reviewing those items that come under the control of the Resale Price Maintenance System [RPMS], which stipulates measures to maintain the resale prices of such publications as books and newspapers. A "Subcommittee To Study the Resale Issue [SSRI]" has been set up under the FTC's "Committee on Government Regulations and the Competition Policy," (chaired by Professor Toshimasa Tsuruda of Senshu University), and the subcommittee has begun full-fledged discussion of the issue.

Among the topics under study are: (1) clarification of which copyrighted publications [chosaku butsu] should come under the control of the Anti-Monopoly Act [AMA]; and (2) evaluation of the resale system for each individual category. The SSRI is scheduled to complete its report by the end of the 1994 fiscal year.

It is true that the resale system, under which publishers may force wholesalers and retail dealers to abide by sale prices, violates the AMA. However, this system does not apply to copyrighted publications. The six categories which are handled by the FTC as copyrighted publications are: Books, magazines, newspapers, records, music tapes, and music compact discs (CD's).

The SSRI, which comprises 10 members, including men of learning and experience, AMA experts, and scholars engaged in the study of the distribution issue, held its first session in late September.

While SRRI continues its work, the FTC intends to solicit opinions from those in the book, magazine, and newspaper publishing trade. Using the SRRI recommendations, the FTC plans to decide whether the resale system should continue to apply to each of the six categories of copyrighted publications, and plans to submit a revised antimonopoly bill to the regular Diet session scheduled to convene in January, 1996.

The FTC conducted a resale survey of records, music tapes, and music CD's in 1991, and set forth in 1992 a plan to study, from an extensive viewpoint, the issue of which items should be handled as copyrighted.

Hashimoto Wants To Implement Investment Plan

OW0710031394 Tokyo KYODO in English 0257 GMT 7 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 7 KYODO—International Trade and Industry Minister Ryutaro Hashimoto called Friday [7 October] for the advance implementation of measures mapped in the government's new 10-year public investment program.

"I strongly hope implementation of such measures will be forwarded as much as possible in view of the rapid aging of Japanese society," Hashimoto told a news conference.

The cabinet Friday adopted the new public works program with a total scale of 630 trillion yen. The fiscal 1995-2004 program, a replacement of the existing 430 trillion yen scheme from fiscal 1991 to 2000, calls for 60-65 percent of the total sum to be earmarked for improvement of living environment, welfare and culture.

Hashimoto said the new program is intended for implementation while Japan's demographic structure is young enough to provide "vitality." He said smooth implementation of the program would lead to "a meaningful shrinkage" in Japan's global current account surplus.

Hashimoto described the spending scale of 630 trillion yen for the new investment program as "bold." But he added specific budgetary allocation will probably be a difficult task for the government in compiling next year's budget toward December. He explained an international call for more investment in areas designed for smoother business entry by foreigners may not be compatible with a budgetary need in domestic areas such as higher living standards.

Hashimoto said the program should be commended for including investment for building up an information-oriented society and shifting weight to basic research and development, which he said have been made light of in the past. Hashimoto's ministry takes charge of both areas.

On ways to secure financial sources for the new program, Hashimoto said he opposes issuance of government bonds. Hashimoto said he hopes the private sector and local governments will play a role in securing investment funds.

MOF Said 'Devious' on Tax Reform Plans

OW0710132494 Tokyo SHUKAN DAIYAMONDO in Japanese 8 Oct 94 p 15

[Article by Yoji Fukuyama from the "Business Inside" column]

[Text] After much debate, the outline for the reform of the tax system has at last seen the light of day. The government and coalition government parties together have finally managed a conclusion by coming up with a plan for "frontloading a tax cut for three years;" in other words, to delay the consumer tax hike for three years following the tax cut.

The Ministry of Finance [MOF], which initially attempted to promote a plan in which the tax cut would be "frontloaded for two years," succumbed to pressure from the United States, which sought to stimulate expansion of Japanese domestic demand by delaying the timing of a rise in the consumer tax rate. Perhaps from the satisfaction of having turned things against the stubborn Finance Ministry, the United States lavishly praised the plan along the lines that "it was an important decision, tied to the recovery of Japanese business conditions."

But still, the Ministry of Finance is a hard customer to deal with. In fact, a clever stratagem to counter the United States was concealed behind this "tax cut preceding by three years."

First, let us examine the specific contents of the tax cut. Everyone knows that there is going to be a "two-tier format," a tax cut in fixed rates (Y2 [yen] trillion) and a permanent tax cut (Y3.5 trillion.) As for the Y2 trillion which derives from the tax cut in fixed rates, however, it is mentioned in passing in the outline that, depending on circumstances, it is possible that it will be enforced only for 1995. If this actually takes place, the effect of the tax-cut in stimulating business conditions will be drastically reduced.

That is not all. The shrewd Ministry of Finance also inserted in the outline that the new tax rate (5 percent), which is the focal point, can also be raised depending on business conditions. This is not at all unbelievable, since the Ministry of Finance originally aimed at raising the rate to about 7 percent. When the consumption tax rate becomes 7 percent, the negative effect on consumption can easily be imagined.

The Ministry of Finance does not simply get up when it falls down. Preparing for this contingency, the ministry slipped in concealed measures to mutilate tax system reform. In the U.S. Government, which initially was delighted, some people have begun to say, "wait a minute," as the "hidden work" in the outline has become clear.

Depending upon the future attitude of the Ministry of Finance, it is possible that criticism by the United States might emerge to the effect that the "Ministry of Finance is devious." So the Ministry of Foreign Affairs and others are inwardly feeling nervous.

Ozawa Trip to Europe Said for Heart Treatment

OW1110040894 Tokyo ASAHI SHIMBUN in Japanese 10 oct 94 Morning Edition p 2

[By Etsuya Saito]

[FBIS Translated Text] Washington, 9 Oct—Ichiro Ozawa, secretary general of Shinseito [Japan Renewal Party], ended his visit to the United States on the morning of 9 October (evening of 9 October in Japan) and flew to Paris via London.

During his visit to the United States, he did not hold any meetings with U.S. Government or Congress officials. His purpose in visiting Paris is said to be to take a rest.

Ozawa is the chairman of the preparatory committee for the new party. He is also the highest responsible person for Diet affairs in the opposition camp. His traveling to the United States and Europe despite having to take leave from the Diet session, which is the first full-fledged debate against the Murayama administration, has given rise to speculation the trip "may be in order to undergo a medical examination for his chronic heart ailment" (according to a senior Liberal Democratic Party [LDP] official).

The explanation being offered for Ozawa's U.S. visit is his having to make a speech at the "Japan-U.S. Grassroots Exchange Summit" organized by the "John Manjiro Society," which he chairs. He did not meet with U.S. VIPs and did not discuss domestic politics in his speech.

During Ozawa's previous U.S. visit three months ago, in various interviews and speeches he sternly criticized the Murayama administration based on a coalition between the LDP and Social Democratic Party of Japan. He also declared: "A new-new party [shin shinto] will be formed in September." This not only gave rise to strong antipathy on the part of the ruling parties, but led to criticism from Shinseito members themselves that "he was too impatient," and he needed to be more prudent.

On this present trip, the opposition parties had already formed the joint parliamentary group "Kaikaku" in the House of Representatives and a preparatory committee for the new party, and Ozawa is the secretary general [as published]. The plan to form a new party is scheduled for implementation in December. Therefore, Ozawa probably thought "unnecessary remarks may create trouble" (according to a senior Shinseito official).

However, both the ruling and opposition parties are suspicious about this overseas trip which has no explicit political purpose. Although other people, such as former Prime Minister Noboru Takeshita, have also made foreign visits during the long weekend [8-10 October], Ozawa skipped the plenary session of the Diet on 6 October despite the fact he is the "control tower of Kaikaku" (according to Shinseito leader Tsutomu Hata). His trip to Paris will also prevent him from witnessing the opening of deliberations at the lower house Budget Committee.

Ozawa has visited Europe five times in the past year, passing through London each time. Recently, he has visited Europe about once every three months. Ozawa became ill with a heart ailment in 1991, and it is a well-known fact among political circles that there is a hospital in London offering the highest level of treatment for heart disease. The itinerary published by Ozawa shows he is only stopping over in London and will be staying longer in Paris. He is scheduled to return to Japan on 12 October. His frequent visits to Europe serve to support speculation that his trips are for heart treatment.

Ozawa Ends 'Quiet' Trip to U.S.

OW1110084494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Oct 94 Morning Edition p 2

[By Kaku Oishi]

[FBIS Translated Text] Washington, 9 Oct— Ichiro Ozawa, secretary general of Shinseito [Japan Renewal Party], completed his U.S. visit on the morning of 9 October (evening of 9 October in Japan) and flew to Paris via London for vacation. During his visit, which began on 6 October, he stressed only the significance of the Japan-U.S. ties in his speech made in Williamsburg, and he did not hold any special talks with leaders of the U.S. Government and Congress. In comparison to his last U.S. visit in July, when he held talks with former U.S. President George Bush and other leaders, and declared that a "new-new party will be formed in September" in his speech at the National Press Club in Washington, he made a quiet trip this time.

The main purpose of Ozawa's U.S. visit was to attend the fourth Japan-U.S. Grassroots Exchange Summit, sponsored by the International Grassroots Exchange Center, which he chairs. In his speech at the meeting, he stated that "Japan intends to reform its stagnant political situation" in order to strengthen the relationship between both countries. Ozawa limited himself to stressing the legitimacy of promoting the formation of a new-new party as the chairman of the executive committee of the preparatory panel for the formation of the new party, and tried hard to eliminate political color from his speech.

Indeed, Ozawa seemed to be aware of the "Ozawa allergy" in Japan. He came under fire after his last U.S. visit in July and was urged to "keep a low profile" not only by members of other political parties but also those of the Shinseito. From the beginning of this present visit, he seemed to have decided "not to say anything that will cause unnecessary criticism," (according to his aides). He must have aimed at avoiding the mistakes of his last visit by his silence.

Ozawa Said To Seek Support From Labor Unions

OW1010090294 Tokyo KYODO in English 0827 GMT 10 Oct 94

[FBIS Transcribed Text] Paris, Oct. 10 KYODO—Japan's opposition camp will seek support from labor unions affiliated with the Japanese Trade Union Confederation (Rengo), the nation's largest labor organization, for its plan to form a new party, opposition leader Ichiro Ozawa said Monday [10 October].

Ozawa, who arrived in Paris via London from the United States, told reporters, "Japan must aim for eliminating disparity in wealth and realizing a fair society. In this sense, our way of thinking is not so different from that of labor unions."

His comments were taken as suggesting the opposition forces, which are trying to merge themselves into a single political party later this year, will ask Rengo-affiliated labor unions to support the planned new party.

Tke eight million-member Rengo currently provides the main support base for the ruling coalition Social Democratic Party [of Japan] (SDP) [SDPJ] of Prime Minister Tomiichi Murayama as well as for the Democratic Socialist Party, one of the opposition forces.

Ozawa also said the planned new party might choose its head through election in case it cannot fix its leader through negotiations.

He declined to elaborate on the purpose of his Paris visit, only saying he has "private business" there.

In late September, Japan's opposition parties and groups except for the Japanese Communist Party merged their parliamentary groups to establish Kaikaku (Renovation) and formed an interparty panel to prepare for their merger.

Ozawa has been one of the main advocates for forming the new party, which aims to rival the current coalition government of the SDPJ, the Liberal Democratic Party (LDP) and New Party Sakigake [Harbinger], an LDP splinter group.

Ozawa is co-founder of Shinseito (Japan Renewal Party), a leading opposition party which broke away from the LDP and a core force in the Diet group Kaikaku.

He left Japan last Thursday for the U.S. where he delivered an address at the fourth Japan-U.S. "Grassroots Exchange Summit" Saturday in Williamsburg, Virginia. He is scheduled to return to Japan on Wednesday.

Ozawa on Political Reform, Formation of New Party

OW1010075194

[FBIS Editorial Report] Tokyo TBS Television Network in Japanese at 0904 GMT on 9 October, in its regular "Hodo Tokushu" program, carries a 40-minute interview with Shinseito Secretary General Ichiro Ozawa by TBS announcers Kunio Ogawa and Sawako Agawa, and Hokkaido University Professor Jiro Yamaguchi. The interview was recorded on 5 October at the TBS studio.

After briefly reviewing recent changes on the Japanese political scene, including the fundamental policy change by the Social Democratic Party of Japan (SDPJ), Ogawa asks Ozawa what he thinks of the current political situation.

Ozawa says: "I think the changes are fundamentally in accordance with the trend of the time, or shall I say the flow of history."

Commenting on the SDPJ's fundamental change of policy, Ozawa says: "I did not expect that to happen. However, the Liberal Democratic Party (LDP) and the SDPJ have always shared the same fundamental view. In other words, they saw the post-war system, or the 1955 Japanese political regime, in the same way. There was a common denominator. Although publicly their statements were opposed to each other, the LDP and the SDPJ actually promoted every matter of post-war politics through mutual discussions."

He said the policy change was not a big surprise to him because the SDPJ had helped the LDP maintain the 1955 regime.

Moving on to the strategy of the new new party, Yamaguchi asks Ozawa why the opposition boycotted Prime Minister Murayama's policy speech on the opening day of the current extraordinary Diet session.

Ozawa explains: "There is no precedence for forcefully holding a plenary meeting on the first day of a Diet session through the exercise of the ruling party's authority, especially when the ruling and opposition parties have not arrived at an understanding."

Asked if Japan is moving toward a two-party system, Ozawa says Japan has to change its political system to be able to clearly say "yes or no" to the world, and he believes the single-seat electoral system will eventually create two major parties.

Citing the turnout at the recent upper house election in Aichi Prefecture, Yamaguchi says there is no clear policy difference between the ruling coalition and the opposition.

Ozawa says the policies of the ruling coalition and the opposition parties, or himself at least, are quite different.

He adds: "Japan cannot survive unless it acts in concert with the world. I just cannot accept the idea that Japan does not have to change even though the world is changing. My fundamental view is that Japan has to change along with the trend of times and the changes in the world."

Ozawa says he believes Japan should become a permanent member of the UN Security Council (UNSC) and that the government has to explain to the people what it intends to do as a permanent UNSC member.

He says: "Japan should respond, as much as possible, to the requests of other countries."

Asked if Japan should also play a military role, Ozawa says: "I do not think the United States or other countries harbor a great expectation that Japan will play a military role. Ninety-nine percent of the things they expect Japan to do are non-military matters."

He is asked about the report that the Ministry of Foreign Affairs manipulated information and effectively made the decision to send Self-Defense Force troops to Rwanda.

Ozawa says: "The politicians are to blame because they did not make decisions."

At 0922 GMT, Ogawa asks Ozawa for his assessment of the Murayama administration's tax system reform plan.

He agrees there is a need to carry out reform of the tax system, and says: "If we are going to reform the tax system, we should consider the future situation as much as possible."

He explains that the outline of the tax reform spelled out by current government is insufficient, and adds that government regulations have to be eased, despite the likely opposition of many politicians.

Asked about the new new party, Ozawa says it will be officially formed in the second week of October, and he adds that its leader should be selected through discussion.

Asked if he will become its leader, Ozawa laughs and says: "I am not qualified."

The interview ends at 0952 GMT. No further processing planned.

Murayama Defends SDPJ Defense Policy Changes

OW1110053294 Tokyo KYODO in English 0511 GMT 11 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 11 KYODO—The House of Representatives Budget Committee started debate Tuesday [11 October] with Prime Minister Tomiichi Murayama defending a decision by his Social Democratic Party (SDP) [Social Democratic Party of Japan - SDPJ] to reverse long-time policies on major issues such as defense and national security.

It is the first debate in the committee under the government of Murayama, who took office in late June. When the SDP shifted course on policies, differences over major issues ceased to exist between the tripartite ruling coalition, compromising the SDP, the Liberal Democratic Party and New Party Sakigake, and the opposition camp, excluding the Japanese Communist Party.

Murayama said the party's shift in key policy issues does not constitute a violation of promises made in the last general election in July 1993. He said it was in line with the changing times. The SDP, in a radical departure from traditional policies, decided to recognize the Self-Defense Forces as constitutional and accept the Japan-U.S. Security Treaty.

Murayama, Japan's first socialist premier in 47 years, also said the SDP will not reverse course again and cling to its previous policies even if the party loses the reins of government.

LDP Urged To Discuss Revision of Constitution

OW1010141594 Tokyo YOMIURI SHIMBUN in Japanese 9 Oct 94 Morning Edition p 3

[Editorial: "The Liberal Democratic Party Should Squarely Discuss 'Constitution'"]

[FBIS Translated Text] The Liberal Democratic Party's [LDP] Research Commission on Fundamental Policies (chaired by Masaharu Gotoda] has begun a review of the party's political ideals, platform, and the party name.

We expect the LDP will use this opportunity to hold in-depth discussions on what principles and ideals the party should adopt, as well as on the future course of Japan in preparation for the 21st century.

The LDP's documents, such as "Principles," "The Party Mission," and "Political Principles of the Party" stipulate the party's ideals and general principles. Most of these documents, however, were compiled with the inauguration of the LDP in 1955.

These documents are deep reflections of the East-West Cold War era. One of them says: "We are determined to wage an all-out battle against communist forces plotting to establish a dictatorship, and against forces which advocate a classless society."

It is amazing that the party has not tried to review these documents since they were worked out nearly 40 years ago, and turbulent changes have taken place at home and abroad over that period. The party must have felt that it did not need to review its political ideals because it remained in power.

However, Japan has now entered the "coalition era" following the collapse of the LDP's one-party rule, and a new political party system is about to be established with the introduction of a new election system based on a combination of single-seat constituencies and proportional representation. So now, as Gotoda said, the "raison d'etre (reason for being) of the LDP" has been called into question.

The research commission is said to be set to hear a wide range of views from local chapter members and intellectuals, and to be ready to work out a draft party reform plan in time for the party convention in January.

The commission needs to hold extensive discussions on such issues as redefining conservatism to make it fit in with the new age of politics, deciding what kind of security and defense policies Japan should adopt and what international responsibilities it should assume, and whether it should have "a big government or a small government."

Of these, the issue of "revising the constitution" will be the most contentious.

Both "The Party Mission" and "Political Principles of the Party" state that "the LDP will independently work toward revising the existing constitution." This means the party has long seen revision of the constitution as its task.

However, LDP President Yohei Kono reportedly wants to prevent moves within the party to revise the constitution. Some analysts point out this is probably because Kono considers himself a "protector of the constitution" and because he has to ensure good relations with the Social Democratic Party of Japan, one of the LPD's coalition partners.

Nevertheless, the LDP should squarely face the issue of revising the constitution. It should not shy away from it.

The party should do so not because its 40-year-old documents call for revision, but because it is natural that Japan would review its constitution now that nearly half a century has passed since it was established. This is the responsibility that politicians should assume.

The LDP's Research Commission on the Constitution proposed in an interim report released in June 1993 that a panel be set up either in the cabinet or the Diet to review the constitution. The proposal was made based on the thinking that "politicians are being urged to begin debate on the constitution now and to hold national discussions involving all quarters." However, the report was not acted upon largely because the LDP fell from power and became an opposition party almost immediately after it was released.

Some LDP and SDPJ members have said that if the LDP gives up its idea to revise the constitution, the two parties will be able to maintain good relations and cooperate in forthcoming elections.

However, we have to say that the LDP has failed to properly evaluate the importance of the matter if it gives priority to maintaining the current coalition framework over a review of the constitution in its study of the party's ideals and platform.

EPA Proposal on Public Works Program Questioned

OW0710145394 Tokyo YOMIURI SHIMBUN in Japanese 7 Oct 94 Morning Edition p 7

[By Kiyoshi Yoshikawa]

[FBIS Translated Text] A recommendation by the "Research Team on Social Infrastructure Improvement" set up within the Economic Planning Agency [EPA] was worked out on 6 October. The recommendation will be the base of the new public works program totaling to 630 yen [Y] trillion. The recommendation shows a basic direction of the 10-year social infrastructure improvement program between fiscal years 1995 and 2004. In particular, it proposes to increase the total funds to be spent for projects designed to upgrade "facilities for improving living environment, welfare, and culture" to 60 to 65 percent, up from 60 percent in the previous program. However, the recommendation fails not only to explain the significance of the program in view of existing sector-by-sector long-term plans, but also to define grounds for the Y630-trillion public works program. Moreover, how to secure revenue sources is another questionable point. Although the government is scheduled to approve the new program on 7 October, it seems the government will face some problems in carrying out the program.

The EPA says with Y630 trillion, 80 to 90 percent of planned social infrastructure improvement will be covered. However, judging from intra-government debates so far, it can be said the EPA, in working out the program, gave more consideration to foreign nations. In this way, the reasons for making the total amount Y630 trillion are unclear.

Originally, the EPA started reviewing the previous program because, after adding new projects in an effort to boost the economy, public works projects were implemented at an unexpected pace, and thus it became necessary for the government to indicate anew its stand of promoting a domestic demand-led economy. The research team then studied the program with the aim of increasing the total amount by approximately Y10 trillion. At the same time the research team extended the term of the program from six years to 10 years, judging the government would groan under the heavy burden if the term was six years.

Following this decision, the research team tried to increase the total amount to approximately Y550 trillion. However, to endorse Japan's intention to make efforts to expand the domestic economy at the Naples Summit in July, it was later decided to expand the total amount to some Y600 trillion. Eventually, Y30 trillion was added as "flexible" funding allocations to deal with emergency situation such as a sudden change of economic condition in the future. In this way, the EPA, in working out the program, placed more emphasis on the views of foreign nations.

The recommendation says it is appropriate to increase the ratio of the funds for projects designed to upgrading "facilities for improving living environment, welfare, and culture" to 60 to 65 percent. However, such an increase is not easy because the allotment for each public works project has been almost fixed under severe financial conditions every year. In addition, the term "facilities" are not clearly defined.

At present, there are 16 public works project-related plans for such individual areas as forestry conservation, river improvement, housing, and airport construction. Ministries are concerned with these projects. In view of this, it may be unavoidable that ministries, when allotting the budget, will lobby the government to give priority to their own projects. Therefore, it will be necessary to coordinate the positions of each ministry.

With regard to the budget allocation to prefectural governments, the recommendation says that projects for improving social infrastructure, which is directly concerned with people's life, should be carried out by local governments while the government takes care of wide-range social infrastructure projects. The proposal also encourages local public organizations to carry out unique public works projects aimed at improving social infrastructure. However, the fact is that when local governments issue their own prefectural bonds—which will be major financial sources for public works projects—they are required to obtain the central government's approval. It seems to be difficult to carry out such a plan unless the current system is changed.

Paper Demands Fairness in Public Works Bidding

OW0910085194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Oct 94 Morning Edition p 2

[Editorial: "Public Works Projects Should Be Conducted in Ways That Entail No Waste, and Ensure Low Cost and High Transparency"]

[FBIS Translated Text] The new 630 trillion yen basic plan for public works project investments (1995-2004), which was approved at a 7 October cabinet meeting, envisages spending that will top the current plan (430 trillion yen over 10 years from 1991) by 200 trillion yen.

The new plan cannot escape the criticism that it is designed "more to raise the total amount" to meet the commitment to the United States on domestic demand expansion than for any other reason. It should have been based on predictions of potential economic growth rate and the commodity price trend, but this has not been the case. In other words, the numbers given in it are really only "roughly estimated" targets.

The numbers, therefore, need not be considered fixed, and could possibly be raised or lowered depending on future economic conditions.

As the government is suffering financial difficulties at the moment, the new plan assumes that most of the necessary revenue will come from such interest-bearing funds as national bonds, municipal bonds, and treasury investments and loans. That means the burden of repayment will fall on our children and grandchildren. For this reason, the government must take care that investments are not wasteful and therefore a potential source of resentment for future generations. And for the government to ensure tha?? it needs to clarify the purposes of the investment and determine priorities on the projects to be carried out. The new plan is rough, and fails to do this almost5'Kmpletely.

If we look ahead to the 21st century, when the infrastructure being built under the plan becomes operational, the major investment goals should be: 1) to build up living conditions-related infrastructure which can be useful in an aging society; 2) to build up industrial infrastructure so that the next generation can survive the huge competition in the world economy; and 3) to construct a production-distribution-consumption system which will reduce burdens on the global environment.

If we look for projects which meet such goals in this roughly-drawn new plan, we can see projects that meet them. Among them are the installation of recycling-type was4e disposal facilities which aim to free society of pollution from refuse, the expansion of sewage systems, the construction of housing and traffic systems with the elderly in mind, and the improvement of communications-related infrastructure, including airports and optical fiber networks. We hope high priority will be given to these projects.

On the other hand, in primary industry such as agriculture, forestry, and fisheries, in which the trend is for fewer workers and this is not expected to change, we see relatively excessive investment continuivg today as a result of the practice of allocating investment funds at prearranged fixed rates. The plan should have made clear that investment in such projects as those for improving fishing port facilities or agricultural infrastructure should be held down.

In executing the plan, we would like to make special requests in the following two points: 1) "lower the price" of public works projects; they are said to be about 30 percent higher than in the United States, and 2) ensure the transparency of the system of issuing orders for public works projects, and cut out the politician-bureaucrat-businessman collusions that were typical of scandals involving general construction companies.

The reduction in construction costs should be effected by encouraging fair competition, and the way to do this is to conduct open, competitive bidding in as thorough manner as possible. Open, competitive bidding will serve a double purpose: It will reduce government office discretionary powers to issue orders on projects, and eliminate unfair interventions by politicians.

Open competitive biddings started on a trial basis for projects under the central government's direct control, but designated competitive bidding is overwhelmingly dominant in terms of both the number of projects and the total value involved. That is because government officials are not enthusiastic about it. To ensure there is thorough open, competitive bidding, the government must adopt the "bond system for biddings" [nyusatsu bondo sei] in which private- sector insurance companies, rather than government offices, review the ability of construction companies to carry out projects and provide insurance on it. Only Sakigake [Harbinger] among the three ruling coalition parties has so far declared support for adoption of such system. If the Liberal Democratic Party and the Social Democratic Party of Japan really support "reform" as they claim, they too should follow the same direction.

We also demand the restructuring of the system of "lobbyist engineers" [zoku gikan] (government office civil engineers assigned from senior offices, sector by sector, to cover such areas as roads, rivers, ports, and agricultural infrastructure)—the culprits responsible for permanently established the system of assigning public works projects on a share basis.

Unless surgery is performed on it, administrative reform will remain in name only.

MITI Plans To Introduce 'LAN' in Late Nov

OW0910102094 Tokyo MAINICHI SHIMBUN in Japanese 8 Oct 94 Morning Edition p 1

[FBIS Translated Text] On 7 October, the Ministry of International Trade and Industry [MITI] disclosed a plan to introduce a personal computer LAN (local area network) by linking the MITI headquarters with its local bureaus starting late November. MITI will study the possibility of sending its publications, including index of industrial production and white paper on trade, to the world by connecting the LAN to the Internet, which has worldwide networks. At the same time, MITI also plans to create a system that will enable people at home and abroad to send their opinions to MITI Minister Ryutaro Hashimoto through electronic mail [e-mail]. Moreover, MITI officials will be able to hold electronic conferences, where attendees can talk to each other without sitting face to face at the same table. The system will also enable MITI officials of different ranks to exchange opinions between themselves through the e-mail. Therefore, some people are of the opinion that Japan's administrative system, where bottom-up decisionmaking is a main factor of reaching agreement, will change significantly.

While keeping in mind the advent of the multimedia era, MITI decided to introduce LAN as a part of its campaign to promote information-oriented administration. MITI is trying to demonstrate its stand of "he who suggests it should be the first to do it." Every MITI official at headquarters will have one personal computer and 4,800 PCs, including local MITI bureaus, will be available for use by February next year. Cost of the network will be about 2 billion yen.

Each section will create their own database and information, depending on how they can be used, which will be sent to certain individuals, sections, entire bureaus, or the entire ministry. Ordinary MITI employees will be able to send their opinions directly to the MITI minister and senior officials, including vice ministers.

Moreover, in light of the U.S. system that enables people to send proposals to President Clinton through a network, MITI will study the possibility of introducing a system in which people in Japan and abroad will be able to send their opinions directly to the MITI minister by typing on the computer screen, saying "Dear Mr. MITI Minister Hashimoto."

To prevent a similar incidence in which a mysterious document shook up the entire ministry last year from happening again, MITI plans to make sure that the system will be capable of pinpointing person who sends information.

Moreover, MITI plans to send out key statistics, such as index of industrial production, to different countries in the world all at once. It will no longer be necessary for concerned people to go to MITI to get documents when they become available to the public. MITI also plans to send the key documents, including the white paper and council meeting minutes, through the e-mail.

Joint Fiber Project Presented at ITU Meeting

952A0010A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 6 Oct 94 p 5

[FBIS Translated Text] The world's first test for conducting an international television conference, linking Japan, the United States, and Germany, was held at the National Kyoto International Conference Building in Kyoto. Four telecommunications firms, including the Japan Telegraph and Telephone Company (NTT), Kokusai Denshin Denwa (KDD), American Telephone and Telegraph (AT&T), and German Telecom, collaborated in introducing the latest telecommunications technology to the International Telecommunications Union's (ITU) plenipotentiary meeting being held at the building and attended by representatives from about 150 nations. The meeting will continue through 7 October.

The test involves connections between Japan and the United States and Japan and Germany with high-speed telecommunications networks using optical fibers known as broadband integrated services digital network (B-ISDN). In addition to television conferencing, tests will be conducted in the transmission and receipt of movies between Kyoto and the AT&T Bell Research Center in New Jersey. Tests will also be conducted to transmit and receive global topographic and meteorological data using computer graphics between Kyoto and German Telecom in Berlin.

Japan and the United States are separated by about 14,000 kilometers and this is the first time that a multimedia test has been performed under such long distances. B-ISDN has the capability to transmit data covering several thousand telephone circuits and is characterized by the capability to handle two-way image, voice, and character transmissions. Commercialization of the technology is being accelerated in Japan, the United States, and Europe as the primary information infrastructure for the multimedia age.

The current tests open to the public have the objective of investigating the reliability of circuits when B-ISDN is linked internationally. The tests were made possible through the invitation of the Next-Generation Telecommunications Experiment Association (BBCC, located in Kyoto-fu, Seika-cho; Shoichiro Kobayashi, president), which researches methods for using B-ISDN.

MITI, Foreign Firms To Promote Hydrogen Energy

OW0910141394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Oct 94 Morning Edition p 1

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] is to carry out a project to promote the commercial use of hydrogen energy. It has been decided that five major foreign companies and research institutes, including Westinghouse Electric Corp. of the United States (WH) and Rolls- Royce Ltd. of Britain, will participate in this MITI-led project. They will develop, in cooperation with about 60 Japanese companies, a new turbine generator which will use hydrogen for fuel. Hydrogen has high calorific power and does not produce carbon dioxide and pollutants as a by-product. Many people expect hydrogen will be useful in helping to preserving the global environment. MITI plans to conclude a joint research contract with the companies by the end of October, to start full-scale research in November, and to have developed the basic technology by the beginning of the 21st century.

Through this international research cooperation, MITI aims to develop non-petroleum energy technology.

The international joint research will be promoted as part of the "hydrogen-using clean energy project" drawn up by the MITI's Industrial Science and Technology Agency. Japanese firms which have decided to participate in the project include turbine makers—such as Mitsubishi Heavy Industries Ltd., Ishikawajima-Harima Heavy Industries Co., Kawasaki Heavy Industries Ltd., and Toshiba Corporation—and electric power development makers. In addition to them, three foreign firms and two foreign research institutes are to participate: They are WH, Rolls-Royce, Hydro-Quebec Co. of Canada [name as published], Stanford Research Institute (SRI) of the United States, and London University-affiliated London Research.

The main feature of the project will be the development of a hydrogen burning turbine, which is driven by explosive power created by burning hydrogen. Along with Japanese makers, WH, Rolls-Royce, and SRI will be in charge of the design and trial-manufacture of the turbine. Hydro-Quebec and others will cooperate in designing conceptual parts of the system, such as the transport and distribution of liquefied-hydrogen. The joint research contract stipulates that intellectual property rights such as patents, which result from research, should be held by both the government and the companies participating in the project, and that domestic and foreign participants should be given priority in the commercial use of hydrogen energy. This is the first time foreign companies have participated in a Japanese national energy project.

MITI plans to conclude the research and development project, which includes the development of peripheral technologies and the conducting of substantive tests, in 27 years or by the year 2020.

A total of 300 billion yen will be invested in the project. By the beginning of the 21st century MITI plans to have developed technology capable of producing a hydrogen burning turbine capable of generating 500,000 kw of electricity, the equivalent to the output of a large thermal electric power plant in the present day. Developing the hydrogen turbine is the main feature of the project.

The project aims to use hydrogen as an energy resource capable of replacing fossil fuels such as petroleum and coal. Hydrogen will be produced by electrolyzing seawater. It is transportable if liquefied. In addition, its calorific power is three times that of gasoline. If solar power and hydraulic power are used to produce hydrogen, it will be possible to establish an energy supply system which does not depend on fossil fuel. Hydrogen is considered a new energy for the 21st century. To promote the commercial use of hydrogen energy, it is necessary to develop a high safety, efficient turbine.

MITI has so far promoted national projects in the new energy fields, such as coal liquefaction and geothermal power generation. But for energy security reasons, it did not invite foreign businesses to participate in those projects.

The ministry has now concluded that international cooperation which transcends any country's national interests is necessary to carry out such a large-scale technology development project which aims to help preserve the global environment. Based on this conclusion, MITI has decided to share patents and other intellectual property rights with participating companies, and it has invited major U.S. and European companies, such as WH, to join the project. WH has an excellent record of performance in the construction of power generating facilities.

Tokyo To Propose Creation of APEC Energy Body

OW0810074094 Tokyo KYODO in English 0704 GMT 8 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 8 KYODO—Japan will urge the Asia-Pacific Economic Cooperation (APEC) forum late this month to establish a permanent body to discuss energy issues, officials told KYODO NEWS SERVICE on Saturday [8 October].

The officials from the Ministry of International Trade and Industry (MITI) said the body would be the APEC version of the International Energy Agency (IEA), which groups oil-consuming industrial nations under the Organization for Economic Cooperation and Development (OECD).

Under MITI plans, the proposed body will be established in three or four years to promote discussions on energy issues between industrial and developing nations, the officials said.

APEC, grouping 17 nations and regions, faces serious environmental pollution problems stemming from sharply increasing energy consumption, they said.

MITI will propose the creation of the energy body when APEC's working committee on energy meets later this month and call for further discussions on the proposal at a ministerial meeting and an informal summit to be held by APEC in Indonesia next month, the officials said.

Like the IEA, the proposed body will have no binding power on its members but will issue periodic joint statements to coordinate members' energy policies, they said.

Government estimates show energy consumption by the developing world in 2010 is likely to show a 2.2-fold rise from 1990, while global consumption is expected to rise 48 percent in the same period.

As a result, the APEC region is expected to face serious energy supply-demand and environmental problems, the officials said.

Tokyo To Give Latin America Environmental Aid

OW0710141194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Oct 94 Evening Edition p 1

[FBIS Translated Text] The government plans to offer its cooperation to Latin American countries in their efforts to preserve the environment, as more and more Japanese businesses have advanced into these countries with the North American Free Trade Agreement (NAFTA) coming into effect. As a starter, the government plans to provide Chile and Mexico with equipment to measure pollutants beginning in 1995, as well as set up an environmental center to begin training personnel to become experts in environmental preservation. As more and more Japanese firms advance into these two countries, they will undoubtedly come under fire as being business-minded. Therefore, by removing the buds of criticism well in advance through offering cooperation in environmental preservation, the government plans to make arrangements so that Japanese firms will face little resistance and advance smoothly into NAFTA markets.

Japanese assistance will be undertaken by the Environment Agency, Japan International Cooperation Agency (JICA), and other organizations. In 1995 a total of 600 million yen will be spent to provide Chile and Mexico with measuring instruments to get a grasp of the local situation regarding air pollution, industrial wastes, industrial drainage, and other types of pollution. Japanese experts will be sent to provide instructions on such matters as how to forecast air pollution.

An "environment center" will also be set up to train administrative experts who will implement environmental measures. The environment center in Chile will accept trainees from Brazil and other Latin American countries and become the main center of environmental preservation in Latin America. Beginning with this program, Japan will increase its environmental assistance to Latin American countries.

Japan plans to provide environmental assistance to Latin American countries because it would undoubtedly draw criticism as a "business-minded advance" if more and more Japanese firms advanced into these countries without providing assistance through environmental measures and other ways to improve their social infrastructures. With NAFTA coming into effect, Latin American countries are expected to grow into a large market, and a significant number of Japanese businesses have advanced into these countries. Among these are Japanese automakers which have increased their production in Mexico.

NAFTA, which has been enacted with the purpose of mutually opening U.S., Canadian, and Mexican markets, has provisions for strict environmental standards. Chile, which has begun negotiating with the United States concerning its participation in NAFTA, enacted its Fundamental Environment Law in March 1994 and has started buckling down on environmental issues. However, the country lacks environmental experts and measuring instruments, and this has been an obstacle to its participation in NAFTA. Mexico, which is already a signatory to NAFTA, has faced difficulties in fully complying with the requirements regarding environmental preservation. Consequently, both Chile and Mexico have sought assistance from Japan.

In Santiago, the capital of Chile, air pollution has become a critical problem. An increasing number of victims are suffering from chronic respiratory ailments. It was possible to view the Andes Mountains from Santiago 20 years ago, but now the city is even described in travel magazines as, among other expressions, "Santiago, a city under smoggy skies."

Meanwhile, the skies above Mexico City, the capital of Mexico, are constantly filled with smog. Just as in the case of Chile, there, too, the number of patients with respiratory ailments is rapidly rising.

Japan-U.S. Environment Project in Indonesia

952A0004A Tokyo NIHON KEIZAI SHIMBUN in Japanese 27 Sep 94 p 2

[FBIS Translated Text] The first environment preservation project for developing countries through U.S. and Japanese cooperation will begin early next year. It is the "Biodiversity Preservation Program" to protect Indonesian plants and animals, and they will establish a fund for construction of a "Biodiversity Information Center" which gathers information on animals and plants and for nongovernmental organization (NGO) support. It is the first project based on the U.S.-Japan global partnership action program that was announced at the Miyazawa-Bush summit conference in 1992. The intention is to expand similar environment preservation joint projects in the future to Brazil and Costa Rica, etc.

Japan will be in charge of the Biodiversity Information Center and build it in the city of Bogor in the western part of the island of Java. In addition, they will build a National Park Management Office in the Gunung Harimun National Park centering on Mt. Harimun which is about 20 kilometers southwest of the city of Bogor. They will dispatch experts from Japan and provide guidance on methods for the maintenance and management of plant and animal specimens and information. Construction costs for the information center and management office are about 1.8 billion yen.

The United States will be in charge of the fund that will supply capital for research and activity relating to biodiversity by NGO's, corporations, and government institutions. They will establish the "Indonesia Biodiversity Fund (IBF)," and employ a fund of about $15 million (1.5 billion yen). The U.S. Development Agency and others will assist with part of the fund.

JRI Forms Bioremediation Consortium

952A0002A Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Sep 94 p 14

[FBIS Translated Text] The Japan Research Institute [JRI], a large think tank, has formed a consortium with eight companies such as NKK and Ebara Corp. and will begin certification testing of bioremediation (biological purification of the environment) which will, through the power of microorganisms, purify underground water and soil that has been contaminated by harmful substances. Bioremediation is being put to practical use in the United States as a low cost environment restoration technology, but it is only at the research stage in Japan and it will be the first case of tests actually using contaminated sites.

The Japan Research Institute has concluded a general agent contract with ECOVA (Golden, Colorado), which ranks third in the whole United States in bioremediation, to introduce technology. Participating in the consortium besides NKK and Ebara are Organo Corp., Kanto Kensetsu (Mobara city, Chiba Prefecture), Kumagai Gumi, Sumitomo Metal Mining, Takenaka Komuten, and Dowa Mining. They will commence testing at the end of November, and aim to commercialize it next fiscal year.

The first will be a trichloroethylene-contaminated site within the city of Chiba, and they will purify an area of about 100 square meters. They will infuse oxygen, methane gas, and nutriments by equipment imported from the United States, activate trichloroethylene decomposition bacteria that subsist in soil, decompose it, and make it harmless. Test costs up until March 1995 are estimated to be about 50 million yen, including equipment and personnel costs.

Trichloroethylene is widely used as a solvent for cleaning semiconductors and metal parts, but it has been pointed out to be carcinogenic. In a survey by the Environment Agency, over 2,200 wells exceed environment standards and it will take over 200 billion yen just to purify these wells.

Kansai Electric Forest Project Studies CO_2

952A0001A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 3 Oct 94 p 5

[FBIS Translated Text] Kansai Electric Power has implemented a long-term cultivation test on trees over a two-year period under environments with a high concentration of carbon dioxide (CO_2) and discovered that a kind of tree called acacia mangium grows most stably in a 1,000 PPM [parts per million] CO_2 environment, which is about triple the normal level. It seems that the long test of two years is unusual and it will be valuable data in studying measures for reduction of CO_2 in the atmosphere by trees. There is a possibility that it will serve afforestation projects abroad.

Kansai Tech (Osaka; Keiji Kashioka, president), a subsidiary of Kansai Electric Power, and Assistant Professor Kiyota from the Agricultural Department of Osaka University jointly did the testing. When they set up a set up a greenhouse with normal CO_2 concentration and a greenhouse with triple the concentration and made comparative tests cultivating over a two-year period three kinds of trees, acacia mangium, eucalyptus, and Chinese nettle tree, the acacia mangium grew well in a high CO_2 concentration by 1.8 times in dry weight and 1.2 times in tree height.

In the case of eucalyptus, it grew 1.7 times in height, but the trunk diameter became narrow instead and the weight was only 1.2 times. The Chinese nettle tree had no difference in height, but the tree diameter became large and it grew 1.7 times in weight.

The acacia mangium is a tree that is native to Southeast Asia and it will be difficult to apply the test results directly to afforestation projects in Japan. However, while the CO_2 concentration is rising at an annual average rate of 1.8 PPM and the need for afforestation is being debated, it is considered a possibility that this test data will serve afforestation projects in Asia and elsewhere abroad.

STA Plans To Improve H-2's Propulsion Power

OW0710132194 Tokyo TOKYO SHIMBUN in Japanese 5 Oct 94 Evening Edition p 1

[FBIS Translated Text] With an aim to put the "Hope"—the Japanese version of an unmanned space shuttle—into practical use by the early 21th century, the Science and Technology Agency [STA] will undertake a full-scale development project next fiscal year [FY] for the next-generation rocket, which has greater propulsion power than the present "H-2" rocket. The STA plans to use the main engine "LE-7"—whose reliability was improved by the success in the two launch tests for the H-2 in the past—as a rocket booster to increase the propulsion power of the new rocket to twice that of the current one.

This project, which will be conducted by the National Space Development Agency, aims to develop a new large liquid booster using the LE-7, which is the H-2's main engine.

The present model of the H-2 is equipped with the LE-7 and two solid fuel rocket boosters. The next-generation rocket will be equipped with two more liquid boosters on both sides of its main body. These liquid boosters are powered by liquid hydrogen and liquid oxygen.

This rocket is capable of launching four tons of equipment to the geostationary orbit at the altitude of 36,000 kilometers, and 20 tons of equipment to an orbit at the altitude of 250 kilometers. Thus, its propulsion power is twice that of the present H-2.

The Hope, which weighs about 20 tons, will be launched from the nose of the next-generation H-2 rocket. Expenses for the launch are likely to be over 20 billion yen. The STA has demanded 180 million yen as the FY1995 budget for the development project.

Originally, the STA planned to equip the rocket with six large solid boosters. However, there are many drawbacks in this plan, such as poor launch efficiency. For example, the total weight of the H-2 rocket would be about 1000 tons, which is twice the weight of the rocket with liquid boosters.

The development project for the LE-7 encountered many difficulties, such as an explosion accident. It was said that the LE-7 was the H-2's Achilles' heel. However, success in launch tests in February and January gave officials confidence, and they decided to use the LE-7 also as boosters.

A STA official said: "Details of the concept of the next-generation H-2 rocket have not been decided yet. However, the project will basically focus on development of liquid boosters using the LE-7."

Wave-Powered Desalination Project Begins

OW0810051194 Tokyo KYODO in English 0335 GMT 8 Oct 94

[FBIS Transcribed Text] Takamatsu, Japan, Oct. 8 KYODO—A Transport Ministry affiliate and a private company have begun research into sea water desalination by harnessing energy created by wave action, ministry officials said Saturday [8 October].

The officials said a joint research committee plans to set up a device at a breakwater in Takamatsu, a city in northeastern Shikoku which suffered a severe water shortage in the summer.

The committee has long-term plans to develop the system for harbors and isolated islands prone to water shortfalls.

The device will be adapted as a power source for desalination units already employed on isolated islands and other places prone to water shortages. Sea water will go into the device to be pressurized and filtered through a membrane to give off fresh water.

The officials said that using wave energy will reduce the running costs of the devices.

The device will be placed at the end of the west Takamatsu breakwater which is due for completion in 1997.

But because of low wave action inside the protected Seto Inland Sea, actual power output is expected to be relatively low, allowing for the supply of only about 2 tons of fresh drinking water a day.

The committee has been conducting research into electricity generation in Sakata, Yamagata Prefecture, on the Sea of Japan coast.

Mongolia

Ministry Expresses Regret on PRC Nuclear Test

LD0810160294 Moscow ITAR-TASS World Service in Russian 1229 GMT 8 Oct 94

[By ITAR-TASS correspondent Kim Boldokhonov]

[FBIS Translated Text] Ulaanbaatar, 8 Oct—Mongolia expresses regret regarding the new, powerful nuclear test carried out by China on 7 October near Lake Lop Nur, the Mongolian Foreign Ministry has announced. These actions by China cause concern and they may provoke a negative influence on international efforts to preserve the moratorium on nuclear explosions to which the nuclear powers subscribe, the document stresses.

Mongolia is in favor of a universal ban on nuclear weapons and tests. The PRC voiced its respect for Mongolia's non-nuclear status in a joint Mongolian-Chinese communique signed at a high level in April 1994 in Ulaanbaatar.

The statement expresses the hope that the PRC will suspend its nuclear tests like other members of the UN Security Council and will contribute to the cause of strengthening peace.

President Addresses Parliament on Economic Issue

LD0810110694 Moscow ITAR-TASS World Service in Russian 1626 GMT 7 Oct 94

[By ITAR-TASS correspondent Kim Boldokhonov]

[FBIS Translated Text] Ulaanbaatar, 7 Oct—Mongolian President Punsalmaagiyn Ochirbat has today addressed the parliament during the discussion on the implementation of the socioeconomic program. Noting some improvement in certain areas on the macroeconomic level—like stability of the national currency, an up to 4.5 percent drop in monthly inflation in the current year, and the prospect of providing enough food for the population—the head of state concentrated on the problems at hand.

The economic and social situation remains complicated, the president said. Production dropped in 60 out of 70 main areas. Forty two percent of industrial enterprises, including state ones, are bankrupt. Just 43 percent of the foreign trade turnover plan has been fulfilled.

Ochirbat criticized the cabinet's social policy. Nonpayment of wages, pensions, and allowances are becoming a chronic feature. The president proposed to introduce an amendment to the Constitution on indexation of such arrears in the future. The president pointed to uncontrollability and irresponsibility in the government's budget spending, especially in the allocation of credits. He urged the parliament to take this sphere of the government's responsibility under its special control and put it in order.

The president voiced serious concern over the government's policy in the sphere of education, health, science, and culture. Not a single program or concept has been drawn up for any of these areas, let alone implementation of any concrete, tangible measures. We should reject the "residual" principle of financing these most important spheres that shape up the intellectual potential of the nation, the president stressed. He proposed to examine the question of allocating 20 percent of next year's gross domestic product to these spheres.

Admitting that the criminal situation in the country is getting worse, the president suggested that the material base and personnel of the law enforcement bodies should be strengthened.

Party Demands Compensation for Buddhists

LD2209201194 Moscow ITAR-TASS World Service in Russian 1326 GMT 22 Sep 94

[By ITAR-TASS correspondent Kim Boldokhonov]

[Excerpts] Ulaanbaatar, 22 Sep—The mass repressions and killings of Buddhist priests in Mongolia in the 1920s-30s were in effect genocide. In this connection, the Mongolian Party of Democratic Renaissance [MPDR] has lodged a complaint with the Supreme Court, demanding that the people guilty of the crimes against one of the nation's social groups be identified.

This genocide has many aspects, it was said at a news conference organized by the MPDR leaders. Out of 100,000 Buddhist lamas, 15,000 were killed while the rest were persecuted and had to live in hiding for many years. Seven hundred monasteries were completely destroyed, with the exception of one, situated in the capital. [passage omitted] The property of religious establishments was taken away by force, including more than 3.3 million head of livestock.

The MPDR also demands that the state, which has treated its citizens in this lawless way, should give the confiscated property back to them, as required by the laws of civilized countries and by international norms.

North Korea

First Vice Foreign Minister on Geneva Talks

OW1110050194 Tokyo KYODO in English 0428 GMT 11 Oct 94

[FBIS Transcribed Text] Geneva, Oct. 11 KYODO—The top North Korean nuclear negotiator said Monday he is ready to speak to the media after the conclusion of the current round of U.S.-North Korea high-level talks over Pyongyang's suspected nuclear arms development.

North Korean First Vice Foreign Minister Kang Sok-chu told a group of reporters, "we are still continuing talks over technological problems. The talks lasted for many hours and were serious." Kang promised to give more comments later, saying "I will talk (to the media) after the current round of talks ends."

His remarks came after he and U.S. Ambassador-at-Large Robert Gallucci broke off negotiations following six and a half hours of bargaining at the U.S. diplomatic mission in Geneva.

A source close to the negotiations said Monday's talks failed to end the stalemate over North Korea's refusal to accept the inspection of two alleged nuclear dump facilities in Yongbyon, some 90 kilometers north of Pyongyang.

The International Atomic Energy Agency (IAEA) and the United States have demanded access to the two sites, saying inspections are essential to verify North Korean claims that its nuclear facilities are solely for the peaceful generation of power.

In Seoul, a South Korean Government official also said Pyongyang appears to have withdrawn its demand that the U.S. pay 2 billion dollars as compensation, on top of the 4 billion dollars needed to fund the light-water reactors, YONHAP NEWS AGENCY said.

The North Korean side also hinted that it might rescind its recent threat to reload new nuclear fuel rods into the 5-megawatt reactor from which, in early June, it removed some 8,000 spent rods, rich in plutonium which could be used for nuclear weapons, the agency quoted the anonymous official as saying.

Issues Discussed at ROK-U.S. Meeting Noted

SK1110102694 Pyongyang KCNA in English 1012 GMT 11 Oct 94

["Papers on War Confab Between the United States and South Korean Puppets"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 11 (KCNA)—The United States and the South Korean puppets discussed the resumption of the "Team Spirit" joint military exercises, the "nuclear issue of the North" and the transfer of "peacetime operational control" to the puppet army at the 16th "military committee meeting" and the 26th "annual Security Consultative Meeting" held recently. This is the topic of commentaries of papers here today.

Noting that the war confab produced anachronistic results going against the desire and expectation of the Korean people and the world people who love peace and justice and the spirit of the joint statement and agreed statement between the DPRK and the United States, a NODONG SINMUN analyst says:

It must be noted that the parties to the confab used it as an expedient to get a favourable position in the DPRK-U.S. talks in Geneva.

This is borne [out] by the fact that they driveled that, in case the Geneva talks callapsed, they would have no alternative but to return to the original point, that is, "UN sanctions" and "a solution by force of arms" and they linked the resumption of "Team Spirit" manoeuvres to the progress at the Geneva talks, while persistently crying for "the transparency of the nuclear activities in the past and at present" over the "nuclear issue" of the DPRK. In fact, this is a move to increase military pressure on the DPRK over the "nuclear issue". This reveals the brigandish nature of those who consider military "strength" almighty.

The nuclear issue of the Korean peninsula was caused by the U.S. shipment of nuclear weapons into South Korea and its danger is growing due to the never-ceasing nuclear war exercises against the North in South Korea. This notwithstanding, the Kim Yong-sam group had begged for "joint military reaction" and "security" over the fictitious "nuclear issue" of the North from long ago and did so this time. It goes without saying that this is motivated by its heinous intention to maintain power at any cost with the backing of outside forces and to do harm to the fellow countrymen with the help of foreign forces.

Another point worthy of notice with regard to the confab is the drama of the transfer of the "peacetime operational control" to the puppet army.

As far as the operational control is concerned, wartime operational control is the main point. Although it was decided to return the "peacetime operational control" to South Korea at the war confab, the function of working out wartime operational plans, control on such joint exercises as "Team Spirit" joint manoeuvres and early warning, are to be performed as in the past by the command of the U.S. Forces present in South Korea.

Worse still, it is stipulated that if the "war crisis" mounts, it will be regarded as "a wartime" and the operational control of the puppet army will be placed under the "combined forces command". This tells that the transfer of the "peacetime operational control" is quite meaningless.

The South Korean puppets have become more dependent, far from taking over the operational control. This is clear from the decision to promote more actively the U.S.-South Korea "joint defence strategy programme" under which the puppets are to command the ground force and the U.S. Forces to hold control of the Navy and Airforce. This "division of roles" in such a manner as to assign ground battles to the puppet army while leaving Naval and Airforce support to the U.S., in the final analysis, discloses the intention of the United States to keep hold on the operational control of the puppet Army and use it as cannon fodders.

It is an unpardonable treason that the Kim Yong-sam group asked its master to resume the "Team Spirit" nuclear war exercises against the North.

We can never overlook the dangerous war confab held by the South Korean puppets with the United States against the North at a time when the DPRK-U.S. talks is under way.

If the provokers open the fire first, our people and people's Army will deal an annihilating blow to them.

A MINJU CHOSON analyst says that the recent war confab between the United States and the South Korean puppets is as good as throwing away the veil of "dialogue" and "negotiations" and openly declaring a showdown of strength, and warns the warmaniacs to look squarely at the reality and act with discretion.

U.S. Warships 'Arouse Deep Sense of Alertness'

SK1110132994 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 11 Oct 94

[FBIS Translated Text] According to a report in the Japanese paper AKAHATA, the U.S. nuclear cruiser California made a port of call at the White Beach U.S. Naval Base in Okinawa, Japan on 9 October. The cruiser had called at the Sasebo Port on the afternoon of 5 October. U.S. nuclear submarines and other ships have called at the White Beach U.S. Naval Base on 11 occasions so far this year. In October alone, these types of warships called at this base on five occasions within six days.

The brisk moves in the seas surrounding the Korean peninsula by the U.S. warships arouse deep sense of alertness.

Results of ROK-U.S. Military Meetings Assailed

SK1110144694 Pyongyang Korean Central Broadcasting Network in Korean 1223 GMT 11 Oct 94

[NODONG SINMUN 11 October commentary: "Military Confabs That Run Counter to the Trend of the Times"]

[FBIS Translated Text] The United States and the South Korean puppets recently held the 16th Military Committee Meeting and the 26th annual Security Consultative Meeting in Washington, the United States. These military confabs reportedly discussed the resumption of the Team Spirit joint military exercise, joint military countermeasures with regard to the North's nuclear issue, the transfer of peacetime operational control over the puppet armed forces, and the issue of sharing the upkeep for the U.S. Forces occupying South Korea.

The Military Committee Meeting and annual Security Consultative Meeting between the United States and the South Korean puppets were held amid the East-West Cold War structure; they are war confabs unbecoming at the present time when the Cold War is said to be over. Because they are military confabs that run counter to the trend of the times, the meetings could not end with results other than anachronistic results that stop short of the earnest desire and expectations of the Korean people and the world's people who love peace and justice and that run counter to the spirit of the DPRK-U.S. joint statement and agreed statement.

What is noteworthy is that the participants in the confabs used the meetings as a leverage to take up a favorable position in the DPRK-U.S. talks in Geneva. This is shown in the fact that they, taking issue with our nuclear issue, persistently insisted on the past and present transparency; stated that in case the Geneva DPRK-U.S. talks break down [kyollyol], they would have no choice but to go back to the original position of imposing sanctions through the United Nations and resolving the nuclear issue by using military power; and linked the resumption of the Team Spirit exercise to progress in the Geneva DPRK-U.S. talks.

This virtually is a scheme to further strengthen the military pressure on us by using the nuclear issue as a pretext and shows the brigandish [kangdojok] nature of those who consider military power to be omnipotent [mannung].

The nuclear issue on the Korean peninsula was first raised when the U.S. nuclear weapons were brought into South Korea, and the issue has become more dangerous because nuclear war exercises for northward aggression were continuously being conducted in South Korea.

Nevertheless, the Kim Yong-sam ring, taking issue with our nonexistent nuclear issue, had begged for joint military countermeasures and security long before and did so this time again. Needless to say, this is the result of its sinister intention [koyakhan simbo] to maintain its power and harm its fellow countrymen on the strength of outside forces.

What is also noteworthy with regard to the confabs is the game of transferring the so-called peacetime operational control over the puppet armed forces.

As for operational control, wartime operational control is basic. It was decided at the military confabs that South Korea would take back peacetime operational control. However, as always, the command of the U.S. Forces occupying South Korea will exercise rights to map out operational plans in preparations for wartime, conduct such joint exercises as the Team Spirit joint military exercise, and carry out functions concerning early warning. Moreover, it was decided that if the crisis of war were escalated, this would be considered to be wartime and that the UN Command would exercise operation control over the puppet armed forces. This shows that the transfer of peacetime operational control is virtually meaningless [hanamana hangut].

The South Korean puppets, instead of taking back operational control, were more thoroughly bound [touk chol chohui ongmaeiotta]. One knows this from the fact that they decided to more positively push ahead with the U.S.-South Korea strategic plan for joint defense under which the puppets will take charge of the ground troops and under which the U.S. Forces will take charge of the Navy and Air Force.

The division of roles in which the puppets will take charge of ground war and in which the United States will take charge of Naval and Air Force support means that the United States intends to continuously have the prerogative of supreme command of the puppet armed forces and use them as valueless cannon fodder [kap nugun taepobap].

This time, the South Korean puppets accepted very gratefully the perfunctory transfer of peacetime operational control and sold the national interests to their masters. One knows this merely from the fact that they agreed to significantly increase their share of the upkeep for the U.S. Forces next year compared to the amount for this year.

The Kim Yong-sam ring begged its master to resume the Team Spirit nuclear war exercise for northward invasion. This is also an intolerable traitorous act.

Taking advantage of the transfer of peacetime operational control, the South Korean puppets, while babbling about their independent defense capability, are maneuvering to further increase their military expenditures. The Kim Yong-sam ring is a warmonger and national traitor who leaves no stones unturned [sudangwa pangbobul karijiannun] to bite and harm its fellow countrymen by all means and bring the situation to the brink of war.

We cannot bear to be a spectator [susu panggwan] to the fact that the South Korean puppets held dangerous military confabs with the United States when the DPRK-U.S. talks were under way. It has become again clear that the civilian bellicose group [hojon chiptan], which has become the target of people's resistance and been pushed to the brink of destruction because of its nation-selling and treacherous acts, is trying to find reasons for its existence in its talk of war. However, if the provokers dare to perpetrate a clumsy shooting [kamhui sonbulchirul handamyon], our people and People's Army will deal a crushing blow to the bastards [nomdurege sommyolchok tagyogul angilgossida].

Only shameful destruction will be doled out to the war maniacs who, running counter to the trend of the times, embark on the road toward war.

ROK, U.S. Criticized on 'Control' of Army

SK0910085594 Pyongyang KCNA in English 0837 GMT 9 Oct 94

["Ostrich Policy"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA)—The United States and South Korea, at a "Military Committee Meeting" held in the U.S. recently, worked out a document stipulating that "the operational control" of the puppet army in peacetime which has been in the hand of the commander of the U.S. Forces in South Korea will be transferred to South Korea.

Commenting on this, NODONG SINMUN today says:

This clearly indicates once again that the South Korean regime is a colonial puppet regime without the operational control and "the army" of South Korea is nothing but a puppet army which acts on orders of outside forces.

The analyst further says:

It is ridiculous of the South Korean puppets to loudly advertise "the operational control in peacetime" as if it were something of importance.

The operational control is needed to cope with a war. It is meaningless in peacetime.

At the recent military confab it was agreed that the working out of operational plans, combined exercises, early warning and other main functions will continue to be fulfilled by the command of the U.S. Armed Forces in South Korea.

This shows that the United States intends to keep hold on the operational control of the South Korean puppet army and bring huge aggressive Armed Forces into South Korea under the pretext of "a crisis." So, the South Korean puppets have nothing to take over from the United States as regard the operational control and military dependence is camouflaged in a more crafty way.

The puppets, however, are now claiming that they have taken back something. It reminds one of the ostrich policy.

With such a trick, they cannot veil the true color of the colonial puppets who lost even the operational control of the Army.

'Joint Air War Exercises' on 4-5 Oct Denounced

SK0810043794 Pyongyang KCNA in English 0410 GMT 8 Oct 94

["Provocative War Games Against to North"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 8 (KCNA)—The U.S. imperialist aggressors and the South Korean puppets on October 4 and 5 staged adventurous joint air war exercises in the skies above East and West Sea of Korea by massively mobilizing scores of overseas-based fighter planes and above 460 fighter-bombers, assault planes and reconnaissance planes belonging to the U.S. Airforce present in South Korea and the puppet airforce, military sources said.

On Wednesday [5 October], some 20 helicopter gunships of the puppet army were sent to the skies above the frontline area to stage missile strike exercises against targets in the northern half of the country. In the meantime a 105mm artillery group there fired about 700 shells toward the forefront area.

On the same day, armed bandits of the puppet army took positions in different parts of Paju County and fired some 1,000 large-calibre machinegun bullets at random under the eyes of the North.

Earlier, on Tuesday, seven transport helicopters staged an operation of dropping "commandoes" in the depth of the North side and airlifting war supplies and equipment in the skies above the forefront area from Paju County to Yonchon County.

This was a part of the premeditated moves of the U.S. imperialist warmaniacs and the Kim Yong-sam clique to lay an artificial obstacle in the way of the improvement of DPRK-U.S. relations by deliberately aggravating the situation on the Korean peninsula.

U.S.-ROK Exercises 'Dangerous Provocation'

SK0910082094 Pyongyang KCNA in English 0806 GMT 9 Oct 94

["Continued War Games Against the North"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA)—The U.S. imperialist warmaniacs staged another round of provocative joint air war exercises with the South Korean puppets against the northern half of Korea on October 6 and 7, military sources said.

Some 490 fighter planes were massively thrown into the exercises which were staged day and night with the skies above the sea off Tongchon, Kangwon Province, near the extension of the Military Demarcation Line as the operational theatre, under the command of a commanding plane.

These war games for leading the situation of the Korean peninsula to a higher tension were a very dangerous provocation aimed at joint air surprise strikes at main targets on the east coast of the northern half of Korea.

On the 7th, a RC-135 made shuttle flights for hours from Tokjok Islet in West Sea to Yangyang in East Sea [Sea of Japan] of Korea, committing an electronic and photographic reconnaissance on the whole area of the northern half of Korea. Earlier, on the 6th, twelve tactical reconnaissance planes of various types were flown in succession to the skies above the area along the Military Demarcation Line for espionage on the east and west coasts of the North and the frontline areas.

On the 6th and 7th, artillery groups and armed bandits of the puppet army fired about 200 shells and 1,200 large-calibre machinegun bullets toward the forefront area, getting on the nerve of the North.

The warmaniacs of the U.S. imperialist aggression Army and the Kim Yong-sam fascist clique must act with discretion, squarely looking at the trend of the time.

UN Delegates Cited on Korean Nuclear Issue

SK1010053994 Pyongyang KCNA in English 0533 GMT 10 Oct 94

["Delegates on Nuclear Issue of Korea at UN General Assembly"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 10 (KCNA)—Delegates of many countries touched upon the nuclear issue on the Korean peninsula at the 49th session of the United Nations General Assembly.

The Chinese foreign minister said that, if peace and security are to be maintained in a region, the international community and regional organisations should urge a proper and effective method, that is, dialogue and negotiation between the parties directly concerned to find a solution acceptable to all the parties concerned. "This is well borne out by the progress made in Mid-East peace process and the process of the solution of the nuclear issue on the Korean peninsula," he said.

The Costa Rican president noted that the tension on the Korean peninsula is being eased and expressed the belief that the "nuclear issue" of North Korea would be solved through dialogue.

The Indonesian foreign minister said that the agreement between the DPRK and the U.S. regarding the nuclear issue on the Korean peninsula in August was an important progress in the solution of the problem. He said that the complicated problem could be solved through sincere and continued dialogue and negotiation, each side showing restraint. The Laotian foreign minister expressed support to the DPRK-U.S. agreed statement, saying it is inspiring for the countries concerned to have started dialogue on the nuclear issue of the Korean peninsula. He hoped that continued efforts would be made for the denuclearisation of the Korean peninsula on the basis of the agreed statement.

The Burkinabe minister of external relations expressed support to the negotiation between the DPRK and the U.S. regarding the nuclear issue.

Head of Delegation Speaks at UN General Assembly

SK0810104694 Pyongyang KCNA in English 1011 GMT 8 Oct 94

[FBIS Transcribed Text] Pyongyang, October 8 (KCNA)—Vice Foreign Minister Choe Su-hon, head of the delegation of the Democratic People's Republic of Korea, made a speech at the 49th session of the United Nations General Assembly on October 5.

He, to begin with, expressed deep thanks on authorization to Secretary General Butrus-Butrus Ghali, the Secretariat of the United Nations and its subsidiary and special organizations for their deep condolences on the death of the respected leader Comrade Kim Il- song, president of the Democratic People's Republic of Korea.

He said the Korean people could determinedly rise up after suffering so big a loss, changing their sorrow into strength and courage, because they have at their head another great leader, Comrade Kim Chong-il, who has fully inherited the idea, leadership and noble virtues of Comrade Kim Il-song.

The DPRK Government and people, out of the desire to reunify the country, have made every possible effort to implement the three principles of independence, peaceful reunification and great national unity, the proposal for founding a confederal state and "10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country," regarding them as the common programme of the nation for reunification, he said, and continued:

What is important in defusing tension and ensuring peace in the Korean peninsula is to replace the Korean Armistice Agreement with a peace agreement and establish a new peace arrangement in place of the existing armistice machine.

It is abnormal in every respect that the Armistice Agreement concluded in the 1950s still exists after the end of the Cold War.

In April the DPRK Government proposed to the United States to have negotiations for the establishment of a new peace arrangement in place of the existing armistice system and made a concrete overture. And it took a practical step by setting up the Panmunjom office of the Korean People's Army as a new negotiating body of our side.

The United Nations must pay due attention to our proposal for a new peace arrangement and honestly discharge its obligation with a view to liquidating its unhappy past with the DPRK, its member, and implementing its resolution.

Noting that a fundamental solution to the nuclear issue is of very great importance in removing tension and ensuring a durable peace in the Korean peninsula, Choe Su-hon further said:

The nuclear issue in the Korean peninsula is a matter which should be resolved by the DPRK and the United States, a matter which does not allow any other's interference.

If others attempt to interfere in the DPRK-U.S. talks, it would not help toward the solution of the issue but create difficulties and complexity.

The South Korean authorities, instead of talking about "the nuclear issue," must stop laying obstacles to the progress of the DPRK-U.S. talks, fostering North-South confrontation and rendering the situation of the Korean peninsula strained.

The DPRK and the United States got into the track of dialogue and negotiation and agreed on the terminal of a peaceful solution to the nuclear issue and other outstanding matters and have begun moving toward it.

The DPRK Government will as ever make all sincere efforts to resolve the nuclear issue in the Korean peninsula and denuclearize this region.

Stressing the importance of the democratisation of the United Nations, he said a privileged position can by no means be allowed to individual states in the United Nations.

He continued:

It is the non-aligned and other developing countries that hold an overwhelming majority in the United Nations. If their demand and interests are to be fully reflected in the solution of main international problems, developing countries must be permanent members of the UN Security Council.

Japan is now trying to get a permanent seat in the UN Security Council. But it would be reasonable that it, before so doing, properly apologize and compensate for its past aggression and war crimes. Disarmament, particularly nuclear disarmament, is one of the crucial issues which must be resolved immediately at present, he noted, and stressed:

The extension of the nuclear Non-proliferation Treaty [NPT] has become a matter of worldwide concern. The NPT inequitably stipulates the rights and duties of the nuclear-weapon states and non-nuclear-weapon states. If it is to be an equal treaty, it must contain provisions stipulating that the former guarantees unconditional nonuse of nuclear weapons against the latter, promise no preemptive use of nuclear weapons, totally ban the use of nuclear weapons, stop their production and set a timetable for their total elimination. This will be the first step toward making the existence of nuclear weapons meaningless in our planet.

We maintain that disputes between countries and nations should be resolved through peaceful negotiations of the parties concerned in the interests of both sides and in conformity with the cause of world peace.

Now the socio-economic development has become an important matter directly linked to world peace and security. The United Nations must give priority to the development of the developing countries and enhance its role in socio-economic development.

He declared:

The idea of independence, peace and friendship which was expounded by the respected leader Comrade Kim Il-song in his lifetime reflects the common desire and aspiration of our people and the world people to build a peaceful and friendly new world and is the principle of external activities which the DPRK Government has invariably maintained.

The DPRK Government will, as in the past, so in the future, too, unite with the world people advocating independence, further strengthen ties of friendship and cooperation with them and faithfully discharge its obligation in the common cause of humankind for defending the equitable peace and security of the world and building a new world independent and prosperous.

Paper Accuses ROK of Aggravating Situation

SK1010104794 Pyongyang KCNA in English 1040 GMT 10 Oct 94

["Warmaniacs Must Be Removed"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 10 (KCNA)—NODONG SINMUN today hits at the South Korean puppets who went off into war hysterics, making a fuss over "threat from the North" with outcries about the North's "infiltration into the South" and "tunnels for southward invasion" at a recent "parliamentary inspection of state politics."

The analyst says:

This hysterics of the puppets was intended to divert elsewhere the attention of the home and foreign public favouring the North's effort for peaceful reunification, conceal their bellicose nature, block the northern trip of South Korean people by deliberately aggravating the situation, put a spoke in the wheel of the DPRK-USA talks now going on in Geneva and unleash a war against the North at any cost.

There is only threat from the South on the Korean peninsula.

It is an open secret that the South Korean puppets have massed their Armed Forces on the area along the Military Demarcation Line since the middle of the 1970s, built a concrete wall and dug tunnels for attacking the North at some 180 spots of the frontline area under the cloak of "development of natural resources." If there are tunnels as alleged by the Kim Yong-sam group, they are those for northward invasion dug by the South Korean bellicose elements.

It is the Kim Yong-sam group that answered the North's well- intentioned offer of handshake for national reconciliation and unity with large-scale war exercises such as the Team Spirit and the Ulchi Focus Lens. It is also his group that increased the "military budget" to more than ten trillion won and restructured the puppet armed forces for a massive reinforcement of the Naval and Air Forces and increase of their fire power, stepping up war preparations against the North.

We can never allow the Kim Yong-sam group to drive the situation of the country to the dangerous phase of war, taking issue with the North.

The trouble-maker must be removed in time. As a stick is prescribed for a rabid dog, such a warmaniac as the traitor Kim Yong-sam crazy about confrontation and war must be punished and removed from the nation.

ROK 'Dangerous War Hysterics' Denounced

SK1010053294 Pyongyang KCNA in English 0526 GMT 10 Oct 94

["Dangerous War Hysterics"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 10 (KCNA)—The South Korean fascist warmaniacs at a "parliamentary inspection of the administration" these days are bringing the situation to a war phase, deliberately inciting North-South confrontation.

At the puppet National Assembly, director of the "Agency for National Security Planning" Kim Tok cried over fictitious "activities of the North for infiltration into the South" and said the notorious "National Security Law" would "be maintained". And "Army Chief of Staff" Kim Tong-chin, "Airforce Chief of Staff" Kim Hong-nae and other brasshats of the puppet military spun out trash about North's "arms buildup" and "intensified combat training" and contend that a closer "round-the-clock watch" must be maintained.

Still more grave is that the puppet military bosses let out an ugly torrent of extremely provocative words for a war, getting on the nerve of the North, calling for "the creation of a capacity of rapid attack and reaction at the initial stage of a war".

That the bosses of the puppet Agency for National Security Planning and different services of the puppet army let loose in chorus fascist and bellicose outbursts against the North are an unpardonable criminal act which may create a very dangerous situation on the Korean peninsula. This is an entirely premeditated and deliberate provocation against the North.

The terrific outcries of the South Korean war-thirsty elements over "arms buildup" and "intensified combat training" of the North are a dastardly act to justify their war hysterics.

The Kim Yong-sam group is obviously seeking way out of the crisis in the provocation of a war, finding itself utterly isolated within and without for having failed to express condolences on the passing away of the great leader and, furthermore, harshly suppressed with the bayonet South Korean people and students mourning over him.

Nobody can vouch that the ill-boding military moves of the warmaniacs will not lead to a war.

We don't want a war but are not afraid of it. It is the unshakable will of our people that is full preparedness to meet any event.

If the Kim Yong-sam group dare choose a war, defying our repeated warnings, the puppets will have to pay dearly for it and meet a miserable doom.

Paper: Kim Yong-sam Group 'Must Be Overthrown'

SK0910084894 Pyongyang KCNA in English 0826 GMT 9 Oct 94

["Heinous Warmaniacs Must Be Overthrown"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA)—The "director of the Agency for National Security Planning" of South Korea charged the North with extensive activities to "infiltrate into the South." Meanwhile, the puppet army chief of staff and the puppet airforce chief of staff accused the North of digging "tunnels for southward invasion," "accelerating arms buildup" and radically strengthening the combat flight training this year.

Commenting on this, an analyst of MINJU CHOSON says today:

It is quite despicable for the bosses of the "Agency for National Security Planning" and the puppet armed forces to compete with one another in slandering the North by fabricating facts.

Their outcries over "tunnels for Southward invasion" and "arms buildup" are sheer lies and part of their anti-DPRK smear campaign. They have so far made a fuss over "tunnels" time and again only to invite criticism from the world people and bring disgrace upon their own heads at home and abroad.

With this false charge, which had nothing to do with "parliamentary investigation into state politics," the Kim Yong-sam group incited North-South confrontation. This was a premeditated provocation intended to lead the situation to the phase of war.

The traitor Kim Yong-sam hinted a showdown of social systems and even a war with the use of arms when he cried out for "unification under the system of liberal democracy" at a "ceremony on ROK Army day."

It is Kim Yong-sam who resumed the Team Spirit nuclear war exercises against the North, which had been suspended in the period of the military dictatorship, and who played he role of a shock force in the campaign for "sanctions" against the North over its "suspected nuclear program."

The reality shows that with Kim Yong-sam, a heinous warmaniac left alone, neither the reconciliation and unit of the nation nor the peace and peaceful reunification of the country can be expected. Unless the "civilian" warmaniac, who outdistances the military dictators, is removed, the nation can hardly avoid the scourge of war.

If the nation is to be prevented from suffering the scourge of war, the Kim Yong-sam group must be overthrown as soon as possible.

Reason for Postponement of Tomb Ceremony Cited

SK0910083894 Pyongyang KCNA in English 0811 GMT 9 Oct 94

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA)—Spokesmen of public organizations published statements on Saturday concerning the ceremony for the completion of the reconstruction of King Tangun's tomb.

Among them were the Central Committee of the Democratic Front for the Reunification of the Fatherland, the Central Committee of the General Federation of Trade Unions of Korea, the Central Committee of the General Federation of the Unions of Literature and Art of Korea and the North side headquarters of the National Alliance for the Country's Reunification.

Recalling the fact that the King Tangun' tomb reconstruction committee postponed the schedule of the ceremony, taking into consideration the desire of the fellow countrymen for it to be held jointly by the North, South and overseas, the statements noted: South Korean personages expressed their intention to visit the North in response to the invitation, but have not yet left on the northern trip owing to the obstructions by the authorities.

The South Korean authorities must clearly know that if they block again the northern trip of the invited figures, "politicising" their participation in the common auspicious event of the nation, it will be a never-to-be-condoned crime against the ancestors and the entire nation, the statements warned.

Strongly urging them not to bar those figures from visiting the North, the statements said: If they persistently block their northern trip, they will face a stern judgement by history and the nation.

They expressed the expectation that South Korean figures would surely participate in the ceremony, braving the obstructions by the authorities.

Tangun Tomb Reconstruction Ceremony Held 11 Oct

SK1110105294 Pyongyang KCNA in English 1042 GMT 11 Oct 94

[FBIS Transcribed Text] Pyongyang, October 11 (KCNA)—The tomb of King Tangun, the father of the Korean nation who founded ancient Korea, has been splendidly reconstructed as a grand monumental edifice of the era of the Workers' Party of Korea.

The tomb built in a picturesque place in Kangdong County, Pyongyang, representing the spirit of ancient Korea that was a powerful state in the east, covers more than 800,000 square metres.

The tomb of pyramid shape is 50 metres long in each side of its square bottom and 22 metres high. It is the biggest stone tomb of tier style in Korea.

The ceremony for the completion of its reconstruction took place today.

It was attended by Premier Kang Song-san and Vice President Yi Chong-ok who are Politburo members of the Central Committee of the Workers' Party of Korea, other party and state cadres, officials concerned, builders and working people in the city.

Also present were a delegation of Koreans in Japan headed by Kwon Sun-hui, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), figures of the

South Korean Residents Association in Japan (Mindan) and other overseas Koreans and student Choe Chong-nam who is the delegate of the South Korean Federation of General Student Councils (Hanchongnyon) who came here to participate in the ceremony.

Kang Song-san delivered an address upon the completion of the reconstruction of the tomb and the head of the delegation of Koreans in Japan, the delegate of Hanchongnyon and representatives of Koreans overseas made speeches.

With a view to grandly holding the ceremony, a [word indistinct] auspicious event of the nation, amid the concern of the whole nation and with the participation of many compatriots in the North, South and overseas, a political party and organizations of the Democratic People's Republic of Korea courteously invited representatives of political parties and organizations and figures of various social strata of South Korea to the ceremony and waited for them to come to Pyongyang. But the ceremony was held without the participation of South Korean figure because the South Korean authorities persistently barred their northern trip.

Kang Song-san Addresses Ceremony

SK1110112994 Pyongyang KCNA in English 1059 GMT 11 Oct 94

[FBIS Transcribed Text] Pyongyang, October 11 (KCNA)—The tomb of King Tangun, the ancestral father of the Korean nation and founder of ancient Korea (3000 B.C.-108 B.C.), has been reconstructed splendidly as a grand monumental edifice of the Workers' Party of Korea.

The reconstructed tomb occupies an area of 800,000 square metres at a scenic place in Kangdong County, Pyongyang Municipality, displaying the stamina of ancient Korea, a powerful state in the east.

The tomb is the biggest tier-style stone tomb in Korea, standing 22 metres high and each side of its square bottom extending 50 metres.

The ceremony for the completion of the reconstruction of the tomb took place on the spot today.

It was attended by Premier Kang Song-san and Vice-President Yi Chong-ok, who are Politburo members of the Central Committee of the Workers' Party of Korea, and senior party and state officials, officials concerned, builders and working people in the city.

Also present were the delegation of Koreans in Japan led by Kwon Sun-hui, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), Chief of the Pyongyang Mission of the South Korean National Democratic Front Yi Chong-sang, delegate of the South Korean Federation of General Student Councils (Hanchongnyon) Choe Chong-nam, personages under the influence of the South Korean Residents Association in Japan and other overseas Koreans staying here to attend the ceremony.

In his address at the ceremony, Kang Song-san said:

"We are holding this ceremony for the completion of the reconstruction of the tomb of King Tangun amid the great concern of the 70 million Koreans. This is a precious fruition of the noble intention and wise guidance of the respected leader Comrade Kim Il- song and the dear leader Comrade Kim Chong-il who discovered that Tangun, who had been said to be a mythical being down through the history of thousands of years, was a real person, and took measures to reconstruct his tomb on the highest level to exalt the long history and homogeneity of the Korean nation.

"The great leader corrected one by one many incidents and facts of national history which had been distorted by a wrong view of history and instructed historians to deepen the studies of King Tangun and excavate his tomb. When the remains of Tangun and his relics were discovered, he noted with deep satisfaction that it was a great victory of archaeology and ensured that the birthplace of Tangun, the year of the foundation of Korea by Tangun and its capital were newly established and the history of ancient Korea was systematized from a chuche stand.

"He visited the tomb of King Tangun on September 27 last year and indicated concrete tasks and ways of reconstructing the tomb, saying that the tomb of King Tangun, the founder of ancient Korea, should be rebuilt well and handed down to the posterity.

"On July 6, two days before his death, he examined the final design of the tomb of King Tangun, busy as he was guiding a consultative meeting of leading economic officials, and earnestly said that the tomb should be rebuilt in a short time so that compatriots in South Korea and overseas could visit it.

"In order to realise his noble intention, the dear leader Comrade Kim Chong-il formed the King Tangun's Tomb Reconstruction Committee, wisely guided the builders to complete the tomb on the highest level and took measures to erect a monument to the reconstruction of the tomb of King Tangun and arrange the historic sites related to King Tangun as touring sites of working people.

"We must preserve and take a good care of the tomb of King Tangun imbued with the noble patriotic intention of the respected leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, achieve the great unity of the 70 million Koreans under the banner of the three principles of national reunification and the 10-point programme of the great unity of the whole nation and accomplish the cause of national reunification in the 1990s as wished by Comrade Kim Il-song so earnestly in his lifetime."

In his speech, Kwon Sun-hui, head of the delegation of Koreans in Japan, said:

"When they heard the news that the tomb of King Tangun was excavated in Pyongyang, the Koreans in Japan loudly shouted 'Long live the great leader Generalissimo Kim Il-song' and 'Long live respected General Kim Chong-il,' feeling the pride and honour of the nation with a history of 5,000 years.

"The Koreans in Japan will more vigorously fight for the prosperity of the socialist homeland and the independent reunification of the country under the wise leadership of general Kim Chong-il."

In his speech, Choe Chong-nam, delegate of Hanchongnyon, said: "This ceremony is an event of nationwide significance which the 70 million Koreans in the North, the South and overseas, descendants of King Tangun, could and should have held together, irrespective of the differences in ideology, system and ideal. But, delegations of South Korean people of different strata have not come due to the authorities' anti-national acts devoid of common sense."

"The South Korean authorities," he went on, "far from expressing condolences on the death of President Kim Il-song as fellow countrymen and party to the North-South summit talks, even blocked people of different strata desirous of national reconciliation and reunification from mourning over him. And today they trampled underfoot the elementary national desire to visit the tomb of the ancestral father. Are they entitled to talk about the nation?"

He warned that if the South Korean authorities refuse to stop inciting confrontation and antagonism within the nation and make a switchover to national unity, reconciliation and independent and peaceful reunification, living in the crucial era when the history of division must be ended and peace and reunification be achieved, the 70 million Koreans including the one million students under Hanchongnyon will severely punish them in the name of the nation.

Cho Tae-song, delegate of the Koreans in Americas, said in his speech:

"The Koreans who live in the United States and other countries feel pride and rejoice over the discovery of the ancestral father of our nation and the reconstruction of his tomb.

"Though the South Korean rulers today could block the South Korean people from visiting the tomb of the ancestor, they will never be able to bar the entire fellow countrymen from uniting into one, reunifying the country with united efforts and holding a festival of the nation on the square of reunification tomorrow."

Choe Un-pok, delegate of the headquarters of Koreans in China of the National Alliance for the Country's Reunification, said in her speech:

"The disinterment and reconstruction of the tomb of King Tangun show that only when the nation has a great leader can it find its ancestral father, correct its history and exalt its dignity and honour.

"The Koreans in China will uphold forever the great President Kim Il-song, who liberated the lost country and exalted its honor and enjoys warm reverence and respect from the entire fellow countrymen, and love the socialist homeland warmly as overseas citizens of the nation with a history of 5,000 years and more courageously fight to accomplish the cause of national reunification, following the leadership of the dear leader General Kim Chong-il."

Then, the participants made a round of the reconstructed tomb.

The ceremony could not but be held in the absence of South Korean figures of different circles because the South Korean authorities blocked their northern trip, though a political party and organisations of the Democratic People's Republic of Korea invited representatives of South Korean political parties and organisations and other figures to the ceremony and waited for them to come to Pyongyang till today in order to hold the ceremony grandly as a common festivity of the nation amid the concern of the whole nation and in the presence of people of the North, the South and overseas.

Daily: Japan Must Not Be Allowed UNSC Seat

SK0910090494 Pyongyang KCNA in English 0844 GMT 9 Oct 94

["Japan Must Not Be Allowed To Take Permanent Seat at UNSC"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA)—Unless Japan abandons her ambition for aggression, gives up her conversion into a military power and a nuclear power and breaks with her past of aggression, she must not be allowed to take a permanent seat at the U.N. Security Council (UNSC), says NODONG SINMUN in a by-lined article today.

Recalling that Japan's permanent seat of the security council was claimed by the Japanese prime minister in his recent address at the Diet and by the chief cabinet secretary of Japan at a press conference, the article continues:

Either from the political or from the moral point of view, Japan is not entitled to become a permanent member of the UNSC. Japan's desperate effort to obtain a permanent seat is mainly aimed at surfacing as a military and political power in the world arena and thus exercising her political and military influence on the settlement of international issues and joining in the scrambles for world supremacy. This may entail an unpredictable consequence to world peace.

In coveting a permanent seat of the Security Council, Japan seeks, first of all, to open a legitimate way of military intervention in international disputes, use of arms and overseas aggrandizement. In other words, the Japanese authorities want to get the freedom of use of arms for overseas military aggrandizement. For this very purpose, they cry for Japan's active participation and greater military role in the "U.N. peacekeeping operations".

Japan also intends to legitimate her nuclear armament.

In an official document submitted to the international court of justice this year, the Japanese Government overtly asserted that the use of nuclear weapons does not contradict international law. This meant that Japan would not hesitate to inflict a nuclear holocaust on humankind in order to realise her dominationist ambition.

If Japan crazy for nuclear armament becomes a permanent member, the world people will be exposed to a new nuclear threat.

Japan's another purpose in seeking a permanent seat at the UNSC is to gloss over the atonement for her past crimes and repeat the history of aggression.

Only when Japan wins understanding and confidence from the world people, especially the Asian people, by liquidating the past of aggression and breaking with it, will she be qualified politically and morally to appear without shame in the international arena.

If Japan that has not broken with her militarist past is allowed to become a permanent member, it will mean conniving at her avoidance of the liquidation of the past and encouraging her to repeat the past crimes.

World Health Organization Official Arrives

SK1110052794 Pyongyang KCNA in English 0444 GMT 11 Oct 94

[FBIS Transcribed Text] Pyongyang, October 11 (KCNA)—Uton Muchtar Rafei, director of the Southeast Asia Regional Office of the World Health Organization, and his party arrived here on October 10.

PRC Ambassador Hosts Anniversary Reception

SK0810053894 Pyongyang KCNA in English 0450 GMT 8 Oct 94

[FBIS Transcribed Text] Pyongyang, October 8 (KCNA)—Qiao Zonghuai, Chinese ambassador to Korea, Friday [7 October] gave a reception on the 45th anniversary of the opening of diplomatic ties between the Democratic People's Republic of Korea and the People's Republic of China.

Addressing the reception, the Chinese ambassador said over the past 45 years the peoples of the two countries have not only steadily consolidated and developed Sino-Korean friendship and solidarity but also cooperated closely in all the political, economic, cultural, and scientific and technological fields and given a strong impetus to the development of the socialist cause in the two countries.

Noting that the Korean people had the bitter grief of losing the great leader, the ambassador sincerely hoped that the Korean people, a heroic people, rallied closely around the Central Committee of the Workers' Party of Korea headed by Comrade Kim Chong-il, will change sorrow into strength and continue recording new, greater achievements in their efforts to implement the behests of President Kim Il-song and the party's revolutionary economic strategy.

He reiterated support to the reasonable proposal for the reunification of Korea and to all the efforts of the Korean party and government for the relaxation of the situation and safeguard of the stability in the Korean peninsula and sincerely hoped for a progress in the DPRK-U.S. talks and an early and fair solution to all the problems including the nuclear issue.

"No matter how the international situation may change in future, we will invariably make every effort to have Sino-Korean friendship conveyed down through generations, unswervingly united with the Korean people," the ambassador declared.

Speaking next, Vice-minister of Foreign Affairs Pak Myong-ku touched upon the significance of the opening of diplomatic relations between the two countries. He recalled that the peoples of the two countries have always actively supported and cooperated with each other in the hard struggle for class liberation, socialist revolution and socialist construction. "We will always honor our revolutionary obligation to the Chinese comrades in the common struggle to defend the cause of socialism, true to the intention of the great leader Comrade Kim Il-song in his lifetime to exalt Korea-China friendship through generations, and make every effort to strengthen and develop the friendly and cooperative relations in the interests of the two peoples," he stated.

Noting that the fraternal Chinese people today under the correct leadership of the Communist Party, are registering signal achievements in their efforts for the modernization of the country and the building of socialism with Chinese characteristics, not wavering under the complicated situation, grasping "one centre and two main points", he said: "The Korean people wish the Chinese people big success in their efforts to build modernized socialism and reunify the whole country."

PRC Envoy Hands Over Gift for Kim Chong-il

SK0810153794 Pyongyang KCNA in English 1516 GMT 8 Oct 94

[FBIS Transcribed Text] Pyongyang, October 8 (KCNA)—Dear Comrade Kim Chong-il, the great leader of our party and our people, received a floral basket from the Central Committee of the Communist Party of

China on the 49th founding anniversary of the Workers' Party of Korea. Chinese Ambassador to Korea Qiao Zonghuai handed the basket to an official concerned today. The ambassador conveyed the warmest congratulations and greetings of Jiang Zemin and other leaders and the entire members of the Communist Party of China and other people of China to Comrade Kim Chong-il, the entire members of the Workers' Party of Korea and other people of Korea.

Although President Kim Il-song, the founder of the Workers' Party of Korea, passed away, the ambassador said, the Korean people are bracing themselves up to accomplish his cause, with Comrade Kim Chong-il as the supreme leader of the party and the state and closely united around the party Central Committee headed by him.

He expressed the belief that the Korean people under the leadership of the Workers' Party of Korea headed by Comrade Kim Chong-il will achieve a greater success in the building of socialism and the work for the independent and peaceful reunification of the country.

To consolidate Sino-Korean friendship steadily is the unshakable policy of the party, government and people of China, he said, adding that the Chinese people will do all they can to develop the friendly relations generation after generation.

PRC Councillors Corps Sends Kim Chong-il Letter

SK0810233594 Pyongyang KCNA in English 2240 GMT 8 Oct 94

[FBIS Transcribed Text] Pyongyang, October 8 (KCNA)—The dear leader of our party and our people Comrade Kim Chong-il received a floral basket and a congratulatory letter from the economic and commercial councillors corps in Pyongyang on the 49th anniversary of the founding of the Workers' Party of Korea.

They were handed by Liang Shunpei, commercial councillor of the Chinese Embassy to an official concerned on behalf of the corps on October 8.

Liang Shunpei extended warm congratulations to the dear leader of the Korean people Comrade Kim Chong-il on the 49th anniversary of the founding of the party.

"The great leader President Kim Il-song founded the Workers' Party of Korea and gained great achievements in the revolution and construction by closely uniting the popular masses around it," he said.

Noting that, though President Kim Il-song passed away, the Korean people are registering great achievements in various fields by changing sorrow into strength and courage, he sincerely wished the Korean people greater success in socialist construction under the wise leadership of Comrade Kim Chong-il.

Kim Chong-il Receives Gift From 'Arafat

SK0810233994 Pyongyang KCNA in English 2246 GMT 8 Oct 94

[FBIS Transcribed Text] Pyongyang, October 8 (KCNA)—The dear leader of our party and our people Comrade Kim Chong-il received a floral basket from Yasir 'Arafat, President of the State of Palestine and chairman of the Executive Committee of the Palestine Liberation Organisation, on the 49th founding anniversary of the Workers' Party of Korea.

The charge d'affaires ad interim of the Palestinian embassy here, Ibrahim abu-Mualek, handed the floral basket to an official concerned today.

Kim Chong-il, O Chin-u Receive Gifts, Letters

SK0810042894 Pyongyang KCNA in English 0413 GMT 8 Oct 94

[FBIS Transcribed Text] Pyongyang, October 8 (KCNA)—Dear Comrade Kim Chong-il, the great leader of our party and our people and supreme commander of the Korean People's Army, received a floral basket and a congratulatory letter from the Military Attaches Corps in Korea on the occasion of the 49th founding anniversary of the Workers' Party of Korea [WPK].

Military attache of the Russian Embassy Georgiy Mariyasov, who is the doyen of the corps, conveyed the basket and letter to Minister of the People's Armed Forces O Chin-u on Friday [7 October].

The doyen extended warm congratulations to Comrade Kim Chong-il on the 49th WPK founding anniversary.

He said that the Korean people and the People's Army, under the leadership of the Workers' Party of Korea founded by the great leader Comrade Kim Il-song, have made signal achievements in their efforts to build socialism and increase and develop the defence capabilities of the country.

"The dear leader Comrade Kim Chong-il, the heir to the cause of the respected leader comrade Kim Il-song, is wisely leading the work of building socialism in Korea and increasing the defence capabilities of the country," he said.

Kim Chong-il Receives Gift From Diplomatic Corps

SK0810234394 Pyongyang KCNA in English 2245 GMT 8 Oct 94

[FBIS Transcribed Text] Pyongyang, October 8 (KCNA)—The dear leader of our party and our people Comrade Kim Chong-il received a floral basket from the diplomatic corps in Pyongyang on the occasion of the 49th founding anniversary of the Workers' Party of Korea.

Syrian Ambassador Yasir al-Farah, doyen of the corps, handed the floral basket to an official concerned on October 8.

Receives Gifts From Foreign Envoys

SK1010053694 Pyongyang KCNA in English 0528 GMT 10 Oct 94

[FBIS Transcribed Text] Pyongyang, October 10 (KCNA)—The dear leader of our party and our people Comrade Kim Chong-il received floral baskets and congratulatory letters from diplomatic envoys in Pyongyang on the occasion of the 49th founding anniversary of the Workers' Party of Korea.

The baskets and letters were handed to an official concerned by Cambodian, Cuban, Syrian, Egyptian and Palestinian diplomatic envoys and chief of the UNDP [United Nations Development Program] mission.

A congratulatory letter was presented to Comrade Kim Chong-il by the military attache of the Egyptian Embassy here.

Japan's Saito on Kim Chong-il's Assuming Posts

OW1110104494 Tokyo KYODO in English 1028 GMT 11 Oct 94

[FBIS Transcribed Text] Osaka, Oct. 11 KYODO—Vice Foreign Minister Kunihiko Saito said Tuesday North Korean leader Kim Chong-il will most likely assume the top government and party posts Sunday.

Kim Chong-il has almost completely consolidated his power base and is likely to be named president and Workers Party of Korea general secretary Sunday, when the 100-day official mourning period for the death of Kim Il-song will be over, Saito said.

The two posts have been vacant since Kim Il-song died in early July after nearly four decades of dictatorial rule.

On North Korea's suspected nuclear arms program, Saito said reliable information indicates the country has produced plutonium sufficient to make one to two atomic bombs.

But he said he does not believe Pyongyang actually has nuclear bombs.

Talk: Kim Chong-il Stands at Head of Revolution

SK0810131294

[FBIS Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean at 0940 GMT on 8 October carries an 11-minute talk entitled "The Leader's Appearance We Yearn More Eagerly."

Expressing the sorrows over Kim Il-song's death, the segment mainly talks about the DPRK people's endless admiration for Kim Il- song and his lifetime achievements.

Toward the end of the talk, the radio states: "Today, Comrade Kim Chong-il—the great leader [widaehan yongdoja] who steadfastly adheres to, and brilliantly succeeds and completes the chuche revolutionary cause pioneered by the great leader Kim Il-song—stands at the head of our revolution. The great leader Comrade Kim Il-song is the dear leader Comrade Kim Chong-il. From the dear leader Comrade Kim Chong-il's idea and leadership, our people see the victory of the great leader Comrade Kim Il-song's idea and leadership and the victory of the chuche revolutionary cause spearheaded by the leader [suryong]. From the dear comrade leader's smile, our people recall the fatherly leader's bright image. In hearty response to the leader's [suryong] lifetime intentions, our people will uphold the idea and leadership of Comrade Kim Chong-il, the great leader [widaehan yongdoja], with a single heart of loyalty and filial piety, withstanding trials and hardships. Thus, we will consummate to the end the chuche revolutionary cause."

Paper Highlights Kim Chong-il's Work

SK0910092994 Pyongyang KCNA in English 0854 GMT 9 Oct 94

["Famous Work on Fundamentals of Revolutionary Party Building in Era of Independence"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 9 (KCNA)—"On the fundamentals of revolutionary party building," a famous work published by the dear leader Comrade Kim Chong-il on October 10, 1992, serves as an immortal militant banner indicating the most correct way of building a revolutionary party of the working class in our age and is a precious treasure of the revolution that consummates the idea and theory on the building of a chuche-oriented party, says NODONG SINMUN in a by-lined article today.

In the work Comrade Kim Chong-il scientifically analyses the historical lesson in building the ruling parties under socialism in some countries and clarifies questions of principle arising in building a working-class party to be an invincible revolutionary party which is solid organizationally and ideologically.

The article quotes the dear leader Comrade Kim Chong-il as saying:

"The tide of human history towards socialism is guided by the working-class party, and the progress of socialist society requires that the working-class party should be developed and strengthened steadily."

Referring to the main ideas of the work, the article says:

Its main ideas are, first of all, that consolidating the organizational and ideological foundations of the party is most important in party building and in party activities.

For the party to have a scientific and revolutionary guiding idea and carry it forward pure, to definitely guarantee the monolithic ideology and leadership in the party, to ensure the unity of the whole party in thought, purpose and action with the leader in the centre and build the party with main stress on ideology, and other ideas and policies expounded in the work are the most revolutionary and unique principles of party building the validity and vitality of which have been fully proved in the glorious history of our party.

The ideas and policies are a highly important guideline which the revolutionary parties and peoples should unswervingly follow in building an invincible party because they are based on a profound analysis and generalization of the historical lesson in building a ruling party under socialism and the precious experience in the building of our party.

The idea of the consolidation of the party's mass foundations is one of the main ideas elucidated in the work.

The work comprehensively consummates the originality and validity of the basic policy of our party building—the building of a party into a mass party involving all the classes and strata of the working people in conformity with the historical conditions of the era of independence—and the experience of our party, which has successfully solved the issue of consolidating its mass foundations by educating and remoulding people of various social strata for nearly half a century.

It is emphasized in the work that establishing chuche is a fundamental demand for the building of the working-class party and its activities.

One of the main factors of successive collapse of the ruling parties under socialism and socialist system in different countries is that those parties failed to sum all the problems arising in party building and party activities with the chuche-based stand as the masters of the revolution in their countries.

The principle of establishing chuche was expounded and its truth proved by our party for the first time.

'One Hundred Days' Memorial Services Planned

SK1110110394 Pyongyang KCNA in English 1018 GMT 11 Oct 94

[FBIS Transcribed Text] Pyongyang, October 11 (KCNA)—The overseas and regional headquarters of the National Alliance for the Country's Reunification (Pomminnyon) decided to hold memorial services on the lapse of one hundred days after the death of the great leader President Kim Il-song who had devoted his whole life to the independence and prosperity of the country and national reunification, according to an information of the joint secretariat of Pomminnyon.

The overseas headquarters of Pomminnyon decided to hold a memorial service on October 15 and the European regional headquarters of Pomminnyon a memorial service, and the U.S. headquarters of Pomminnyon a memorial service and a lecture on October 16.

The Pomminnyon headquarters of Koreans in China and Canada and other regional headquarters are making preparations for memorial services on the lapse of one hundred days after the death of President Kim Il-song.

Pyongyang Marks Anniversary of Kim Il-song Visit

SK0710061894 Pyongyang KCNA in English 0436 GMT 7 Oct 94

[FBIS Transcribed Text] Pyongyang, October 7 (KCNA)—Working people in Pyongyang met in front of the monument at the fork in Mangyongdae on Thursday on the lapse of 49 years since the great leader President Kim Il-song passed the fork to call on the workers in Kangson.

On October 9, 1945, President Kim Il-song, who defeated the brigandish Japanese imperialists and returned in triumph 20 years after he left the homeland, went to Kangson to meet the workers there without dropping in his native home in Mangyongdae within a hailing distance, the home he had longed for so eagerly.

The fork in Mangyongdae is known as the road of love associated with deep trust and expectation of the great leader for our working class and people.

The participants in the meeting observed a silent tribute to the memory of President Kim Il-song.

Chairman of the C.C. [Central Committee], the General Federation of Trade Unions Chu Song-il and other speakers noted that the immortal traces of the great leader had been marked in every nook and corner of the country since he visited the workers in Kangson, and that he devoted his all to the happiness of the people until the end of his life.

They said that the road of revolution covered by the great leader is successfully continued by the dear leader Comrade Kim Chong-il.

They stressed that under the tested leadership of the dear leader, the Korean people are glorifying the Korean-style socialism centered on the popular masses and vigorously advancing, decisively smashing the imperialists' political and military moves to stifle it by the strength of single-hearted unity around the party and the leader.

Developments Since Death of Kim Il-song Viewed

SK0810232994 Pyongyang KCNA in English 2237 GMT 8 Oct 94

["Eternal Father of Our Big Revolutionary Family"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 8 (KCNA)—NODONG SINMUN today runs a political essay titled "Eternal Father of Our Big Revolutionary Family" on the lapse of three months since the great leader President Kim Il-song passed away.

The political essay says that the great leader Comrade Kim Il- song who built a powerful socialist country of independence, self- sustenance and self-reliance in defence on this land and brought the happy life of the people into full blossom is an eternal father of the big revolutionary family of chuche Korea in which the leader, the party and the masses are united in one mind and which is winning victory after victory.

It quotes the dear leader Comrade Kim Chong-il as saying:

"In our country today, the leader, the party and the masses form one socio-political organism, the entire people are united in one mind around the party and the leader and the whole society is a big revolutionary family whose members help and lead each other forward in a comradely manner."

Our big revolutionary family in which the great ideology and noble idea is embodied and which is permeated with a strong will and meticulous feelings of kinship is a special social entity which can be seen in no other countries but in our country where all good virtues and traits prevail thanks to the revolutionary and comradely social relationship based on the great anthropocentric chuche idea and the noblest and beautiful human relationship.

Even in the worst days when it suffered the bitterest and enormous loss, our big revolutionary family has demonstrated its might of singlehearted unity to the whole world, its looks and manner remaining unchanged.

What does underlie these incomparably noble and strong revolutionary traits? it is the blood relationship between the great leader and his faithful people, which will not be barred and broken with anything.

Every day in the last three months, the people of all strata in every part of the country, with feelings of boundless loyalty and filial piety, have laid fragrant flowers before the statues of the great leader and kindled the flames of innovations in their meaningful workplaces associated with his guidance, portraying an immortal nationwide canvas of sincerity that no words are adequate to describe.

The eruption of the interest, sorrow, and stupendous efforts which could not be seen in any age and any country prove the extensive vitality of our big revolutionary family in which the leader, the party and the masses are united in one idea.

Underlying the unity and harmony of our big revolutionary family is the noble love of the great leader comrade Kim Il-song and the dear leader Comrade Kim Chong-il who [word indistinct] solved everything the people wanted and desired, unconditionally checked what were harmful to the people and strictly defended their dignity and rights by law.

Comrade Kim Il-song was a legendary hero and sun of the nation whom the whole nation believed in as in heaven and followed for his clairvoyant rare intelligence and unrivalled grit, iron will and extraordinary leadership ability, noble virtues and distinguished personality. Indeed, it was the greatest fortune of the Korean people and their most proud happiness ever in the history spanning 5,000 years to have Comrade Kim Il-song.

Pointing out that the revolutionary cause of chuche started by the great leader is being carried forward to brilliant accomplishment by the dear leader Comrade Kim Chong-il, the political essay says:

It is not only the pride of the Korean nation but also a common bliss of mankind to acclaim as the supreme leader of the party, the state and the revolutionary Armed Forces Comrade Kim Chong-il, a great genius of revolution and construction, who is bringing a new history of amazing prosperity to this land with literary and military accomplishment, loyalty and filial piety and extraordinary intelligence and outstanding leadership art.

It is also the highest glory and happiness to have the great genius of omnipotence who makes all things of the world blossom under the sunrays of chuche as the father of our big revolutionary family.

Comrade Kim Chong-il, the destiny and future of us all, is the heaven and sun of all peoples.

So, the people shout from the bottom of their hearts with feelings of reverence for him which is growing ever deeper:

The great leader Comrade Kim Il-song will always be with us!

The revolutionary cause of chuche is invincible because it is guided by the dear leader Comrade Kim Chong-il.

WPK Anniversary Celebrations Abroad Reported

SK0710114094 Pyongyang KCNA in English 1013 GMT 7 Oct 94

[FBIS Transcribed Text] Pyongyang, October 7 (KCNA)—Meetings were held recently in Pakistan and Togo and a lecture and film show sponsored in Peru and Nigeria to celebrate the 49th anniversary of the founding of the Workers' Party of Korea [WPK].

Speeches were made at the functions.

In his speech at the meeting sponsored by the Lahore branch of the Pakistan-Korea Friendship Association, C.R. Aslam, president of the Socialist Party of Pakistan, said his excellency the great leader President Kim Il-song organised the heroic anti-Japanese armed struggle, liberated Korea from the colonial rule of Japanese imperialism, founded the Workers' Party of Korea first of all and strengthened it into an ever-victorious iron party.

"The Workers' Party of Korea under the wise guidance of His Excellency Kim Chong-il, the outstanding leader of the Korean people, is victoriously leading the building of socialism in Korea and the world revolution under the revolutionary banner of the chuche idea," he said. "The Workers' Party of Korea and the Korean people will certainly win in the efforts for the final victory of the Korean revolution and the cause of global independence."

A congratulatory message to the dear leader Comrade Kim Chong-il was adopted at the meeting.

Paper Marks WPK Founding Anniversary

SK1010103294 Pyongyang KCNA in English 1012 GMT 10 Oct 94

["WPK Guided by a Great Leader Will Always Emerge Victorious"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 10 (KCNA)—Today is the 49th anniversary of the founding of the Workers' Party of Korea [WPK] (October 10, 1945).

NODONG SINMUN dedicates to this occasion a full-page editorial titled "The Workers' Party of Korea guided by a great leader will always emerge victorious".

The foundation of the Workers' Party of Korea by the respected leader Comrade Kim Il-song was a historical event that brought a great change to the revolutionary struggle of the Korean people and their political life, the editorial says, and goes on:

The accomplishment of the historic cause of the party's foundation is the greatest exploit performed by Comrade Kim Il-song for the completion of the revolutionary cause of chuche and eternal happiness of the posterity.

The feats of the respected leader Comrade Kim Il-song in opening up a new epoch in the building of a party of chuche type under the banner of "DIU" (down with imperialism union) long ago and making the Workers' Party of Korea a most powerful and promising revolutionary party in the course of his protracted revolutionary struggle will shine forever since it is led by the dear leader Comrade Kim Chong-il.

The editorial further says:

It is an unshakable stand of our party to regard the revolutionary idea of the great leader Comrade Kim Il-song, that is, the chuche idea, as its eternal guiding idea, carry forward the undying feats of the leader one hundred percent to the letter and thereby push ahead with the party building and socialist construction.

Today our party has been strengthened and developed into an impregnable party which is leading along an ever-victorious road the revolutionary cause of chuche started by the great leader Comrade Kim Il-song, forcing the way through whatever trials. This is because it has the dear leader Comrade Kim Chong-il at its head.

The great leader Comrade Kim Il-song said:

"Comrade Kim Chong-il is a true people's leader with literary and military accomplishments and loyalty and filial piety. He is an outstanding thinker and theoretician, statesman and military strategist and a paragon of loyal subjects and filial sons who remain unfailingly faithful to the country and people and filial."

The dear leader Comrade Kim Chong-il is the supreme leader of our party and our people who has long since led the revolution and construction and performed undying feats that will shine through centuries.

With the dear leader Comrade Kim Chong-il leading the cause of building the chuche-type party to a victory, the most correct ideological and theoretical guideline has been provided to strengthen and develop our party eternally as the glorious party of Comrade Kim Il-song.

The chuche-based theory of party building developed and completed by the dear leader is a precious fruition of the energetic ideological and theoretical activities of him with unfailing loyalty to the revolutionary idea of the leader, extraordinary meditation and pursuit, clairvoyant wisdom and scientific insight.

He has led the cause of building the chuche-type party to a victory with rare organising ability and revolutionary sweep, thereby completely changing the looks of our party.

Extraordinary creativity in solving all the problems arising in party building with his originality, not wedded to established usage and outdated method, experienced organising ability and revolutionary sweep in carrying out revolutionary tasks by mobilizing the whole party and getting it on the move as one, decision and perseverance in pushing ahead anything determined to completion—all these are the great leadership traits of the dear leader who is leading the cause of our party building at its head.

He has made sure that the revolutionary principle was firmly maintained in party building and activities in the whole course of his guidance of the cause of chuche-based party building.

It is the unshakable stand of the dear leader Comrade Kim Chong- il to creditably carry forward and develop the party founded by the great leader and its cause without the slightest deviation.

For this unshakable revolutionary principle our party has become a proud great party with invincible might which no enemy dare provoke, a glorious party which is successfully accomplishing the cause of socialism under the banner of revolution.

Vast and bright is the future of our party with the dear leader Comrade Kim Chong-il, a genius of thought and theory and a great master of leadership, at its head and of our revolution, declares the editorial.

New International Economic Order Urged

SK1110103494 Pyongyang KCNA in English 1026 GMT 11 Oct 94

["NODONG SINMUN Calls For New International Economic Order"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 11 (KCNA)—The feats performed by the great leader Comrade Kim Il-song in a struggle for removing the outdated international economic relationship and establishing and developing a new one will be immortal, says NODONG SINMUN in a signed article today. Declaring that a new, fair international economic order will surely be established, the article says:

The great leader Comrade Kim Il-song defined it as the main characteristics of the world economic situation that the confrontation and contradictions of the economic interests of the Western developed countries and the new-emerging countries are growing acute and the gap between the rich and the poor is as widening as the days go by and called for an active struggle to destroy the old international economic relationship and develop a new fair one.

With a view to getting rid of the chronic economic crisis, the imperialists are intensifying the exploitation of the working people within and persistently seeking economic pressures and blockade against the socialist countries and anti-imperialist, independent countries and the neo-colonial plunder and economic subjugation of the developing countries without in reliance upon the outdated economic order.

The great leader Comrade Kim Il-song made clear the reactionary nature and essence of the outdated international economic order and the manoeuvrings of the imperialists to maintain and strengthen it and their criminal purpose in this, thus guiding broad segments of the people advocating independence to turn out in the struggle to destroy the outdated international economic relationship and establish a new one, conscious of its urgency.

He gave a clear exposition of the basic principle and ways of establishing a new international economic order.

The basic principle that must be maintained in setting up a new international economic order is independence, equality and reciprocity. With its idea propounded, many countries were able to actively turn out in the struggle to establish fair economic relations against looting by the imperialists.

As the great leader Comrade Kim Il-song said, an important question in destroying the outdated international economic order and establishing a new one is for the non-aligned countries and the developing countries to strengthen unity and solidarity, take a joint step, work to promote the process of negotiations for the establishment of a new international economic order and make active efforts to set up a fair international financial and monetary system and trade order.

The great leader Comrade Kim Il-song defined it as the most effective way of establishing a new international economic order to realise South-South cooperation. As a result, South-South cooperation has developed into an international movement to achieve economic liberation and sovereignty of the developing countries and their common growth.

South Korea

President Heads Security Meeting on Geneva Talks

SK1110054794 Seoul YONHAP in English 0541 GMT 11 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 11 (YONHAP)—President Kim Yong-sam and his national security-related ministers renewed their commitment to key principles in dealing with the North Korean nuclear problem Tuesday in reaction to the possibility that the United States may go too easy in reaching a compromise.

President Kim presided over a hastily called morning meeting and confirmed the principles, including special inspections of the North's nuclear sites to secure transparency in its past, present and future atomic activities, sources said.

Concerned that the United States may seek an easy compromise with North Korea at the ongoing negotiations in Geneva, the meeting stressed that the talks must adhere to principles agreed previously between Seoul and Washington.

The principles include nuclear transparency, progress in inter- Korean dialogue and selection of the South Korean model of light- water reactor.

The sources said the participants decided to go ahead with "Team Spirit," the joint South Korea-U.S. military maneuvers, in November if the Geneva talks break down and carry out working-level preparations beforehand.

They agreed that the nuclear problem should be referred to the UN Security Council immediately if Pyongyang reloads its nuclear reactor or refuses full International Atomic Energy Agency (IAEA) inspections, the sources said.

"The Geneva negotiations are entering a critical stage," said one government official. "Firm action is inevitable if North Korea insists on dragging its heels without moving to guarantee nuclear transparency."

"We cannot say that there is no chance of the United States making excessive concessions at the negotiations with North Korea. But it is our stance that the principles must be kept," he said.

Kim's ruling Democratic Liberal Party (DLP) backed the president by criticizing the U.S. negotiating tactics and urged Washington to stick to its agreement with Seoul.

A party spokesman said a senior officials' meeting had agreed the United States was too eager to produce results but it must honor the principles set forth with Seoul.

"The agreement between South Korea and the United States is that there have to be special inspections for nuclear transparency and that the light-water reactor has to be the South Korean model," the spokesman said.

Measures Planned in Case Talks Fail

SK0810060094 Seoul YONHAP in English 0545 GMT 8 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 8 (YONHAP)—The government is preparing intensive measures in case the ongoing Geneva talks between the United States and North Korea end in rupture, including implementation of the joint South Korea-U.S. military exercise "Team Spirit" in November.

The government reportedly decided to act at a coordination meeting on national unification and security chaired by Deputy Premier and National Unification Minister Yi Hong-ku Friday afternoon.

A government official said the U.S.-North Korean talks in Geneva are being hampered by Pyongyang's rigid attitude.

He said if North Korea continues to block a settlement of the nuclear dispute, there is a strong possibility that Team Spirit will be staged in November after the harvest season ends.

He went on to say, however, that a final decision on resumption of the military exercise will be made after developments in North Korea are reviewed.

"The government will see whether Kim Chong-il becomes state president and general secretary of the Workers' Party after the 100th memorial day after the death of late President Kim Il-song," he said.

In a related development, Washington and Pyongyang were reportedly set to continue the third round of high-level talks unless North Korea reloaded fuel rods into its 5-megawatt nuclear reactor at Yongbyon and reprocessed 8,000 spent fuel rods already taken from the reactor.

Accordingly, the two sides are likely to resume the talks in two or three weeks after holding one or two more meetings in Geneva.

A diplomatic source here said it would be difficult for them to reach agreement on the contested issues—special inspections of North Korean nuclear facilities by the International Atomic Energy Agency (IAEA) and Pyongyang's adoption of a South Korean model of light-water reactor.

He then predicted that Washington and Pyongyang would continue the negotiations by maintaining a basis for dialogue.

He disclosed that the three-week Geneva talks have centered on providing alternative energy to replace the 5-megawatt reactor and additional 50-megawatt and 200-megawatt units, which are currently under construction.

Other sources said North Korea hopes to receive crude oil as substitute energy for the reactors' suspension.

'Team Spirit' Resumption Considered

SK1010025394 Seoul KBS-1 Radio Network in Korean 0200 GMT 10 Oct 94

[FBIS Translated Text] It was learned that if the ongoing U.S.-DPRK nuclear negotiations in Geneva continue to be delayed due to the DPRK's passive attitude, the government will adopt a policy to actively examine the possibility of resuming the Team Spirit exercise sometime next month.

It has been learned that the government established such a policy in this morning's reunification and security related ministerial meeting after examining the Geneva U.S.-DPRK talks and recent North Korean moves. Yi Hong-ku, reunification deputy prime minister, Foreign Minister Han Sung-chu, and Defense Minister Yi Pyong-tae participated in the meeting.

It was learned that in today's meeting the government reconfirmed its existing position that the light-water reactor to be supplied to the DPRK must be an ROK-style reactor, and that special inspections [tukpyol sachal] must be carried out before assisting the DPRK with the light-water reactor.

Security Consultative Meeting Held in Washington

SK0810030394 Seoul YONHAP in English 0250 GMT 8 Oct 94

[FBIS Transcribed Text] Washington, Oct. 7 (YONHAP)—South Korea and the United States agreed Friday to decide whether to stage the "Team Spirit" joint military exercise for 1994 by this month's end, after observing the outcome of the ongoing Washington-Pyongyang nuclear talks in Geneva and developments in the North including Kim Chong-il's succession to power.

The two countries also agreed that next year Seoul should pay 300 million U.S. dollars for the upkeep of the 36,000 U.S. troops stationed in the South, up 15.4 percent from this year's share of 260 million dollars.

These agreements were reached at the 26th annual South Korea-U.S. Security Consultative Meeting (SCM) held Friday at the Pentagon, co- chaired by Defense Minister Yi Pyong-tae and U.S. Defense Secretary William Perry.

Following the meeting, Yi told a press conference, "No specific discussion was held at the meeting as to whether or not to conduct Team Spirit this year. But we'll make a final decision on the matter at an appropriate time by the end of October after attentively watching the Washington-Pyongyang nuclear talks and developments in North Korea."

The two allies agreed earlier to "conditionally" withhold Team Spirit, which is usually held in the spring, and conduct it in the latter half of this year if North Korea fails to take steps that guarantee its nuclear transparency. The fact that the matter was not taken up at this year's SCM meeting indicates a reconfirmation of the accord, a Defense Ministry official said.

With respect to the North's disputed nuclear program, Perry said at the press conference that it is the U.S. Government's consistent stand that the transparency of Pyongyang's nuclear development program should be guaranteed clearly for the past, present and future.

He indicated a flexible approach to the matter, saying that special inspections are not the only way of securing nuclear transparency.

Nevertheless, Perry proclaimed his country's firm position, saying that, in the event that the North Korean nuclear issue is not resolved peacefully and reverts to last April's situation, the United States will take two measures in parallel—sanctions against North Korea through the United Nations and increased military strength against it.

In a joint communique issued after the meeting, the two defense chiefs reconfirmed that security on the Korean peninsula is essential to the security and prosperity of the Asia-Pacific region and to furthering world peace and U.S. interests.

They also expressed deep concern over North Korea's continued production of weapons of mass destruction and long-range missiles as well as its conventional offensive strategy.

In response, the two allies reaffirmed that they will maintain close cooperation with a view to securing readiness for any contingency, that America will provide South Korea with immediate and effective support to repulse any outside invasion under the 1954 ROK-U.S. Mutual Defense Treaty, and that Washington will protect Seoul with its nuclear umbrella.

The two sides confirmed their previous agreement to withhold the second stage of the U.S. Forces Korea (USFK) reductions until uncertainties about the North's nuclear ambitions are cleared up. They also agreed to maintain the American forces in Korea so long as the South Korean people deem it necessary, and to promote continuous modernization of their war capabilities.

After reviewing research on "the direction of security cooperation in the 21st century" conducted jointly over the past two years, they decided that future security cooperation should be comprehensive and mutually complementary, and that their bilateral security relationship should be supplemented through "multilateral regional security dialogue."

Meanwhile, Yi and Perry signed a revision to the 1978 terms of reference on the ROK-U.S. Military Committee and the ROK-U.S. Combined Forces Command, transferring peacetime operational control of the Korean forces to the Korean side effective Dec. 1.

Even after the Korean side assumes peacetime operational control, however, both sides agreed to continue combined ROK-U.S. military exercises with a view to maintaining a strong combined defense posture.

An eight-man delegation from each side participated in the SCM meeting. Defense Minister Yi was joined by Ambassador to the U.S. Han Sung-su, chairman of the Joint Chiefs of Staff Gen. Yi Yang-ho, Assistant Defense Minister for Policy Cho Sung-tae, Defense Intelligence Agency Director Yu Chong-kap, First Assistant Foreign Minister Choe Tong-chin, the Defense Ministry's Policy and Planning Office Director Han Sung-ui, and the ministry's Force Planning Directorate Director An Taeksun.

The U.S. delegation led by Secretary Perry consisted of the Chairman of the Joint Chiefs of Staff, Gen. John Shalikashvili, Deputy Secretary of Defense for Policy Walter Slocombe, Assistant Secretary of Defense for International Security Affairs Joseph Nye, Jr., Pacific Command Commanding Gen. Richard Macke, U.S. Forces Korea Commanding Gen. Gary Luck, Assistant Secretary of State for North Asia and Pacific Affairs Thomas Hubbard, and Deputy Assistant Secretary of State for North Asia and Pacific Affairs Kent Wiedemann.

Agreement To Strengthen Defense

SK0810004194 Seoul THE KOREA HERALD in English 8 Oct 94 p 3

[By KOREA HERALD correspondent Yi Song-yul]

[FBIS Transcribed Text] WASHINGTON—South Korea and the United States agreed Thursday [6 October] (Friday morning, KST [Korean Standard Time]) to strengthen mutual defense preparedness to counter North Korea's nuclear program and the potential threat of aggression from the North.

The agreement was reached when South Korean Defense Minister Yi Pyong-tae paid courtesy calls on U.S. Secretary of State Warren Christopher, Secretary of Defense William Perry, and Sam Nunn, chairman of the Senate Military Committee.

Yi and the U.S. Administrative and Congressional leaders shared the view that the resolution of North Korea's nuclear stalemate is essential for maintenance of the international Nuclear Non- Proliferation Treaty and also for the security of North East Asia and the United States, said a Defense Ministry spokesman.

They also agreed to consolidation of South Korea-U.S. cooperative systems in security and diplomacy, said the spokesman. At the Pentagon when meeting with Perry, Yi, who arrived here Tuesday for the 26th ROK-U.S. Security Consultative Meeting (SCM), told reporters that "the issue of North Korea's nuclear program is very important for the security of Northeast Asia including South Korea."

"To guarantee the transparency of Pyongyang's nuclear program, we want the past, present and future of North Korea's nuclear capability to be brought to light," Yi said.

Perry also commented saying, "North Korea's nuclear problem is a very serious issue to the security of the United States and South Korea. It is the highest priority concern for the two countries."

Early last week, Perry said that the United States may use "coercive diplomacy" against the North if it does not abide by international treaties allowing inspection of its nuclear facilities. "Coercive diplomacy means threat of use of military power."

Friday morning (Friday night to Saturday morning, KST), Yi and Perry held the annual Security Consultative Meeting at the Pentagon to discuss issues including whether to push ahead with Team Spirit '94 in November. Yi and Perry had agreed in April to hold the joint military exercise in November if the North Korean nuclear issue was not settled by then. U.S. and North Korean officials have been meeting in Geneva to try to resolve the issue, but no progress has been made.

Other topics discussed included a new Korea-U.S. alliance system looking towards the 21st century, and how much Seoul will pay for fiscal 1995 to support American troops in South Korea.

Yi and Perry also signed an accord on the transfer of peace time operational control of the Korean Armed Forces from the U.S. to the Korean side. The agreement had been reached between Gen. Yi Yang- ho, chairman of Joint Chiefs of Staff, and his U.S. counterpart John Shalikashvili in the 14th Military Committee Meeting (SCM) held Thursday at the Pentagon. The accord will be effective Dec. 1.

Han Sung-chu, U.S. Envoy Discuss Geneva Talks

SK1110043394 Seoul KBS-1 Radio Network in Korean 0400 GMT 11 Oct 94

[FBIS Translated Text] Foreign Minister Han Sung-chu called in U.S. Ambassador to the ROK Laney to the Ministry of Foreign Affairs today to discuss matters pertaining to and including countermeasures for the U.S.-North talks which are now at an important juncture.

It was learned that in the meeting, Minister Han Sung-chu repeatedly emphasized that the U.S. Government should make efforts in its negotiations with North Korea for clearing suspicions over North Korea's past nuclear activities and for the ROK to play a key role in aiding in the construction of a light-water reactor.

Han Sung-chu, Christopher Discuss Geneva Talks

SK1010022594 Seoul YONHAP in English 0221 GMT 10 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 10 (YONHAP)—South Korean Foreign Minister Han Sung-chu talked with U.S. Secretary of State Warren Christopher Sunday about the status of U.S.-North Korea nuclear negotiations, the ministry spokesman said Monday.

They talked for 20 minutes after Christopher, visiting Ireland, called Han, the spokesman said.

The telephone call came as North Korea reportedly hinted at flexibility in the Geneva nuclear talks aimed at stopping Pyongyang's suspicious nuclear program.

South Korean President Kim Yong-sam lashed out at Washington in interviews with foreign papers last week for being naive and overly eager to compromise in the nuclear negotiations.

The spokesman said Christopher did not raise this issue with Han during their conversation.

U.S.-DPRK Talks Resume in Geneva

'Agreement in Principle' Reached

SK0710135294 Seoul KBS-1 Television Network in Korean 1228 GMT 7 Oct 94

[By anchorman Yi Yun-song]

[FBIS Translated Text] It has been learned that the United States and North Korea have reached an agreement in principle on some matters at the high-level talks which have resumed in Geneva.

Correspondent Yi Myong-ku will provide details of this:

[Begin Yi Myong-ku recording] It has been reported that at the talks, which have been held so far, the two sides have reached an agreement in principle on some matters.

That is, for example, linking the construction of a light-water reactor with the dismantlement of the graphite-moderated reactor, the two sides shall see the complete dismantlement of the facilities related to the graphite-moderated atomic reactor upon the completion of the construction of a light-water reactor.

This notwithstanding, it is learned that the difference in the two sides' positions—as to the numerous sequences and ways of implementing this—has not yet been narrowed.

Toward the ongoing talks, the two sides are reported to have presented to each other their implementation plans which reflect their individual positions on the solution of the nuclear issue.

According to the plans, the United States shall gradually put into effect the questions of supporting alternative energy sources, aiding in a light-water reactor, and establishing liaison offices in accordance with the stages of what measures North Korea will take as to the freezing on its nuclear activities; and North Korea shall implement the process of freezing of its nuclear activities in accordance with the extent of the U.S. support.

Nevertheless, because there are also many problems [kori] in the order and ways of carrying out these implementation plans, the two sides have failed to reach an agreement on this, even though they have held so many talks. Therefore, if there is no change in the attitude of the United States and North Korea—in particular, unless they have a forward-looking attitude that they will put into action the freeze on the nuclear activities—it is speculated that it is difficult to predict whether the ongoing talks will be successful or not.

This has been Yi Myong-ku, KBS News, reporting from the North Korean mission in Geneva. [end recording]

DPRK Delegate on Talks

SK0710142794 Seoul KBS-1 Radio Network in Korean 1400 GMT 7 Oct 94

[Report from Geneva by correspondent Yi Myong-ku]

[FBIS Translated Text] This afternoon, Korean time, the United States and North Korea held a meeting of their chief delegates to the high-level talks at the North Korean mission in Geneva.

Emerging from today's first session, North Korean chief delegate Kang Sok-chu said that they discussed businesslike matters that an agreement should be reached [hapui haeyahal silmujokin munjerul hyopuihaetta].

Although he said that today's talks provided a clue [onul hoedamuro kadaki chaphyogagoitta], North Korean delegate Kang Sok- chu added that this was not the time to talk about whether the talks were making progress or not.

'Major Differences' Remain

SK0810020094 Seoul YONHAP in English 0150 GMT 8 Oct 94

[FBIS Transcribed Text] Geneva, Oct. 8 (YONHAP)—The United States and North Korea failed to iron out major differences at high- level nuclear talks in this Swiss city on Friday [7 October].

The two sides, however, decided to meet again on Saturday.

Friday's session, held at the North Korean mission, lasted about three hours beginning at 10:30 AM local time. It was attended by the two chief negotiators—U.S. Assistant Secretary of State Robert Gallucci and North Korean Vice Foreign Minister Kang Sok-chu—and two aides for each side.

The main thrust of the negotiations was not immediately known.

But an informed diplomatic source said the two sides unsuccessfully addressed the issues of properly handling 8,000 spent fuel rods and of guaranteeing a future halt to construction of the North's graphite-moderated atomic reactors.

The source said that at the moment the negotiations seem to have reached an impasse. "So far there is no sign of any dramatic breakthrough," he added.

Emerging from the meeting, Kang said, "We discussed detailed matters but we still have a lot to agree on."

He said it was difficult to tell whether the meeting had registered any progress. "However, I can say there were some indications that the talks are moving in the right direction," the chief North Korean delegate said.

The two sides resume their talks at the U.S. mission on Saturday at a time that has yet to be fixed.

Talks Delayed, Rescheduled

SK0810130494 Seoul KBS-1 Television Network in Korean 1230 GMT 8 Oct 94

[FBIS Translated Text] The United States and North Korea, who are holding high-level talks in Geneva, canceled the senior delegates' talks scheduled for this afternoon, and agreed to hold the talks at 2300 our time [1400 GMT]. The fact that the two sides delayed the talks and did not respond to each other's proposed time can mean that the talks are not progressing smoothly and may be interpreted as their way of expressing displeasure to the other side.

'No Major Progress' on Talks

SK0910034494 Seoul YONHAP in English 0329 GMT 9 Oct 94

[FBIS Transcribed Text] Geneva, Oct.8 (YONHAP)—Robert Gallucci, the U.S. administration's point man on

North Korea, and Kang Sok-chu, North Korea's vice foreign minister, met Saturday for more than two hours here on reshaping Pyongyang's nuclear program but made no major progress, according to diplomats well versed in the talks.

During the talks held at the U.S. mission here, the North, which had stiff positions last week, however, showed flexibility in dealing with such core issues as the treatment of spent fuel rods and recharging of fuel rods, said the diplomats.

Accordingly, the U.S. side decided to go on with the talks next week, said the diplomats who added that a turning point for the talks may come in the middle of next week.

Emerging from the talks, Kang, Pyongyang's chief negotiator at the Geneva talks, said "It's not easy to say whether progress has been made or not."

During the talks, the two sides failed to narrow differences on the treatment of spent fuel rods, recharging of fuel rods, compensation for the scrapping of Pyongyang's project to build graphite nuclear reactors and financial assistance for the building of light-water nuclear reactors, said the diplomats.

Chief delegates of the two sides, however, agreed to meet again Monday for further discussions, said the diplomats.

'Likely To Take Shape' This Week

SK1010004094 Seoul YONHAP in English 0035 GMT 10 Oct 94

[FBIS Transcribed Text] Geneva, Oct. 9 (YONHAP)—The United States and North Korea enter a third week of nuclear negotiations Monday [10 October] with the fate of the talks likely to take shape by mid-week.

Diplomatic sources here said after Saturday's session that North Korea may adopt a more flexible approach and this may surface at this week's negotiations.

The two sides started the nuclear talks on Sept. 23 but have yet to report any progress. The negotiations are being hampered by North Korea's refusal to permit special nuclear inspections, differences over the disposition of spent fuel, reloading of the fuel and over the proposed light-water reactor project.

The negotiations resume after a break Sunday led by the chief delegates—Ambassador-at-Large Robert Gallucci and North Korean Vice Foreign Minister Kang Sok-chu—at the North Korean mission office here.

Many 'Crises' Remain

SK1010060394 Seoul KBS-1 Radio Network in Korean 0508 GMT 10 Oct 94

[Report by correspondent Yi Myong-ku from Geneva]

[FBIS Translated Text] The United States and the DPRK will continue talks to solve North Korea's nuclear problem.

However, the positions between the two sides over procedure and sequence order for resolving the nuclear issue are entangled in a complicated manner. As a result, it is unlikely the two sides can easily find points of agreement.

Correspondent Yi Myong-ku reports from Geneva.

[Begin Yi recording] The United States and the DPRK, who have been continuing talks to solve North Korea's nuclear issue for over 15 days, will hold senior delegates' talks in the U.S. mission this afternoon and resolve acute differences between the two sides.

During the talks held up to the present, the United States urged North Korea to demonstrate its will through practical actions to freeze its nuclear activities.

In other words, the United States demanded the DPRK should not re-load nuclear fuel into the 5-megawatt experimental nuclear reactor; should stop ongoing construction of a graphite-moderated reactor; should send used fuel rods overseas; and should accept special inspections so past nuclear suspicions can be removed.

To this, Pyongyang insisted that without a firm guarantee for support of light-water reactor, it cannot freeze its nuclear program. This being the situation, the talks this week will be a crossroads for whether or not the two sides can narrow their differences.

A diplomatic source here said the United States could find the possibility of change in the North Korean position which in the past has only been tense, and as a result the talks may continue this week.

This source also noted that linking U.S. support for light-water reactors with various steps relating to the freeze of North Korea's nuclear activities is key to the talks.

However, the step-by-step procedure for supporting a light-water reactor, and concrete measures for freezing nuclear activities, are mutually entangled. Therefore, even if an agreement is reached on these essential issues, there are many crises to overcome. [end recording]

Talks 'May End' 11 Oct

SK1010233894 Seoul KBS-1 Radio Network in Korean 2200 GMT 10 Oct 94

[By correspondent Yi Myong-ku from Geneva]

[FBIS Translated Text] Following the plenary meeting and talks between chief delegates on 10 October, the United States and North Korea will continue discussions in talks between chief delegates today [11 October] at the North Korean Mission in Geneva.

North Korean Chief Delegate Kang Sok-chu said discussions may end today, hinting that the talks will either come to a settlement or pass to the next round of meetings. Along with observations that North Korea has changed its position, some analyze that the United States and North Korea agreed on some fundamental issues despite their serious disagreement on the nuclear issue. However, they speculate that it will take a long time to reach a complete settlement since the two sides disagree on details.

No Breakthrough After 7 Hours

SK1110002294 Seoul YONHAP in English 0016 GMT 11 Oct 94

[FBIS Transcribed Text] Geneva, Oct. 10 (YONHAP)—U.S. and North Korean delegates worked Monday to break their nuclear stalemate at meetings lasting nearly seven hours, but to no avail. They plan to meet again Tuesday [11 October].

The two sides held a plenary session attended by all delegates for about three hours from 10 AM the chief delegates' meeting, originally scheduled for the morning, opened at around 3 PM in the latter meeting, chief American negotiator Robert Gallucci and his North Korean counterpart Kang Sok-chu were joined by their senior associates.

They failed to narrow their differences over major issues such as special inspections of undeclared North Korean nuclear facilities, the disposition of 8,000 spent fuel rods taken out of the Yongbyon reactor, refueling, and the type of light-water reactor to replace the North's graphite-moderated units.

A diplomatic source in Geneva, however, said Monday some signs have appeared since last weekend that North Korea may moderate its hard-line stand on some of the issues. The middle of this week might determine the course of the nuclear talks, the source observed.

Should the two sides fail to find a breakthrough soon, another source predicted, the nuclear talks would go into another recess.

North Position 'More Rigid'

SK1110020094 Seoul KBS-1 Radio Network in Korean 0100 GMT 11 Oct 94

[Report by Correspondent Yi Myong-ku from Geneva]

[FBIS Translated Text] The U.S.-North Korean high-level talks, which are under way in Geneva, are becoming protracted without making progress.

In the plenary meeting and a chief delegates' meeting yesterday, the United States and North Korea could not reach any agreement on important pending matters, but decided to continue a meeting of chief delegates at the North Korean mission today.

It was reported that in yesterday's meetings, North Korea showed a more rigid position toward some matters than it had before.

Yesterday, Kang Sok-chu, chief delegate of North Korea, admitted that the talks were not proceeding smoothly, saying: The fact that the talks are being protracted means that the discussions are that serious.

One diplomatic source provided the following analysis and prediction: It is true that the North Korean side's position became more rigid at yesterday's meetings. A settlement may be achieved earlier than expected, if North Korea changes its position at the final stage.

Accordingly, there is a high possibility that the ongoing talks will be completed [mamuri] around this coming Friday with an agreement being reached only on some matters of principle, and that discussions of important pending matters or details will be postponed until the next session.

North Withdraws Treaty Demand

SK1110051994 Seoul YONHAP in English 0513 GMT 11 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 11 (YONHAP)—North Korea has withdrawn its demands that the United States conclude a Pyongyang-Washington peace treaty and provide cash compensation for the suspension of work on two additional nuclear power plants, a government official here said Tuesday.

The North has also indicated that it may not reload nuclear fuel rods into its 5-megawatt reactor at Yongbyon, North Pyongan Province, he said.

As Pyongyang takes a somewhat milder line, Washington is entering full-dress negotiations based on the North Korean-U.S. agreement reached on Aug. 12.

"After lengthy consideration of Washington's position, Pyongyang has recently shown a few changes in its negotiating stance," said the official, adding that the two sides were consulting on issues involving simultaneous performance measures on the basis of their Aug. 12 accord.

He said North Korea is no longer calling for a peace pact and monetary compensation from the United States. "For now, the mood is more sincere than at any other time and both sides' resolve to settle the issues is strong." The official noted that this conciliatory atmosphere was made possible by the North's need to establish Kim Chong-il's succession and the United States' consciousness of mid-term elections.

DLP on 'Conciliatory U.S. Stance'

SK1110025894 Seoul YONHAP in English 0240 GMT 11 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 11 (YONHAP)—The ruling Democratic Liberal Party (DLP) on Tuesday sided with President Kim Yong-sam in criticizing the Clinton administration for being too conciliatory in dealing with North Korea over the nuclear issue.

At a meeting of key party functionaries Tuesday morning presided over by DLP Chairman Kim Chong-pil, the participants agreed that Washington is showing impatience at the nuclear talks with Pyongyang in order to achieve a diplomatic result, and that Seoul-Washington accords should be respected in the nuclear negotiations, party Spokesman Pak Pom-chin said.

"According to press reports on the Geneva talks, the United States appears to be going beyond its accords with South Korea," the spokesman said. "The accords call for pushing through special inspections of North Korean nuclear facilities so as to guarantee the North's transparency in its nuclear development program, and for providing the North with a South Korean model of light-water reactor."

The participants including Chairman Kim, taking issue with the conciliatory U.S. stance in dialogue with the North, asserted that "preparedness for war is a must in negotiations with the communists," according to the spokesman.

In an interview with THE NEW YORK TIMES over the weekend, President Kim attacked Washington's basic stance in the discussions with the North as "naive and overly flexible."

The ruling party reportedly plans to finalize its position on the matter after hearing a report from Foreign Minister Han Sung-chu on the Geneva talks.

NYT Interviews Kim Yong-sam on U.S. Stance

OW1010053794 Tokyo ASAHI SHIMBUN in Japanese 9 Oct 94 Morning Edition p 1

[FBIS Translated Text] Seoul, 7 Oct, NEW YORK TIMES special agreement—In an interview with THE NEW YORK TIMES [NYT] on 7 October, ROK (South Korea) President Kim Yong-sam commented on the Clinton administration's measures over the DPRK's (North Korea) nuclear arms development issue. He strongly criticized the same administration, saying that it lacks knowledge (of North Korea) and is overly flexible. While supporting the Clinton administration's efforts, President Kim said that cooperative ties between the ROK and the United States are firm. But he criticized the Clinton administration, saying that the fundamental stand of the United States at the U.S.-DPRK talks is stupidly honest [guchoku] and too weak. Moreover, he said that since the North Korean Government is on the verge of an economic and political crisis that could sweep it from power, the United States should not ease putting pressure on Pyongyang to abandon its nuclear weapons program.

While saying that "the issue should be solved through dialogue," President Kim said: "The ROK has spoken with North Korea more than 400 times. We are the ones who know it better than anyone. It is not sincere." In this way, he expressed deep doubts about whether the North Koreans could be trusted to live up to any agreements. At the same time, he also said that he was doubtful if American negotiators understood this. He added: "The important thing is that the United States should not be manipulated by the North." In the interview, which lasted about one hour, the president was clearly unhappy that the ROK had been denied any position in the Geneva negotiations with North Korea and had been criticized for being too stubborn in its attitude.

Saying that compromise may only prolong the life of the North Korean regime and send the wrong signal to the leadership of the North, President Kim stated: "We should not make more concessions in the future. Time is on our side. There is no reason why we have to hurry ourselves."

Moreover, expressing bitterness over the Clinton administration's failure to raise the issue of human rights with North Korea, President Kim said: "Despite the fact that the United States is making an issue of human rights in Haiti, Cuba, and China, it is not with North Korea, where the situation is worse. We cannot understand this."

Article Views Kim Criticism

OW1010055894 Tokyo ASAHI SHIMBUN in Japanese 9 Oct 94 Morning Edition p 2

[FBIS Translated Text] In an interview he has granted to THE NEW YORK TIMES, ROK President Kim Yong-sam criticized the U.S. administration in an unprecedented manner regarding the latter's negotiations with the DPRK (North Korea) over the nuclear issue. Since high-level talks between the United States and the DPRK are currently under way, even many people in Seoul are wondering about their president's true intentions.

The ROK Government was undoubtedly dissatisfied with the basic framework of a U.S.-DPRK agreement presented last August on resolving the nuclear issue. This was because little emphasis was placed on the issues of clarifying North Korea's suspected development of nuclear arms in the past and the improvement of North-South relations.

Consequently, the ROK pressed the United States, asking it "which is more important, U.S. relationship with an ally, or that with North Korea?" At the same time, however, the ROK expressed its intention to bear a major portion of the costs of converting North Korea's nuclear reactors to a light-water type on the condition that North Korea accepts reactors of a type used in the ROK. In this way, the ROK pledged to work in concert with the United States on clarifying DPRK's "past" nuclear suspicions and improving North- South relations.

Regarding President Kim's remarks during the interview, it is observed in some quarters in Seoul that Kim took the opportunity to show his dissatisfaction and grievances with how the U.S. Government has recently handled the nuclear issue via his interview by an influential U.S. newspaper. However, since Kim made his comments amid the ongoing U.S.-DPRK talks in Geneva, it is viewed in other quarters that the president is trying to warn the United States against making concessions to North Korea or to rub out such possibilities in the future.

However, Kim Yong-sam's open expression of a fundamental distrust and criticism of the current DPRK leadership is certain to further aggravate North-South relations that have rapidly deteriorated since the death of DPRK President Kim Il-song. It can be said that a possibility has arisen whereby North Korea may be further shoved into a negative direction in regard to the issues of clarifying DPRK's suspected nuclear development in the past and the improvement of North-South relations which are the results that the ROK seeks in the U.S.-DPRK talks.

Kim Terms U.S. Stance 'Naive'

SK1010030894 Seoul HANGUK ILBO in Korean 10 Oct 94 p 2

[Report by correspondent Yi Chae-mu from Tokyo]

[FBIS Translated Text] On 9 October, Japan's ASAHI SHIMBUN reported that President Kim Yong-sam strongly criticized the Clinton administration for its excessively compromising attitude toward the DPRK due to its lack of awareness about North Korea.

In an interview with ASAHI SHIMBUN held at Chongwadae [presidential offices] on 7 October, President Kim Yong-sam stated that he supports the Clinton administration's efforts for solving the North Korean nuclear problem, and that the ROK-U.S. cooperative system is firm. However, the paper reported that President Kim criticized: "The U.S. attitude on negotiations with North Korea is naive and weak."

President Kim also emphasized: "Even if the North Korean regime is faced with political and economic crisis, the United States must not relax its pressure to make Pyongyang abandon its nuclear development." He added: "Since the ROK has held dialogue with the DPRK more than 400 times in the past, we know about North Korea better than anyone else. North Korea is not sincere." ASAHI SHIMBUN wrote that President Kim expressed deep concern over whether the DPRK would keep any agreement, even if one was reached.

The paper revealed that President Kim is particularly doubtful that the U.S. delegation is aware of the specific character of the North Korean regime. President Kim stressed: "What is important is that the United States not be manipulated by the DPRK."

YONHAP on President's Views

SK1010021494 Seoul YONHAP in English 0209 GMT 10 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 10 (YONHAP)—President Kim Yong-sam's blatant criticism of U.S. negotiating tactics toward North Korea is breeding widespread speculation about his intentions.

The South Korean president called Washington "naive and overly flexible" in an Oct. 7 interview with THE NEW YORK TIMES and characterized the Clinton administration as lacking knowledge about North Korea and being too eager to compromise.

Two days later Kim told Japan's ASAHI SHIMBUN the same thing, labeling the United States as "tactless and weak."

His remarks, certainly strong enough to cause a sensation in Washington, are widely interpreted as an outburst of what he personally believes are the reasons why the ongoing U.S.-North Korea nuclear negotiations are in a quagmire.

American and North Korean negotiators meeting in Geneva enter a third week of talks Monday [10 October] with Pyongyang officials resolute on maintaining their stance.

Some officials here claim that North Korea remains so firm because the United States is overly flexible and keen to compromise.

They bring up past criticism that chief U.S. negotiator Robert Gallucci is a nuclear disarmament expert, not a North Korean expert, and thus cannot match Pyongyang's tactics.

The mid-term elections coming up in the United States early next month are a negative factor as well with Washington pressed to produce results with North Korea, they say.

Kim's message is also meant for North Korea, others say, a warning that he will not sit by idly and accept its delaying tactics.

If North Korea's plan is to delay an agreement by refusing transparency in its suspicious nuclear program, Kim apparently means to signal that his government will take action.

On a smaller scale, the president's remarks may be a prelude to a massive reshuffle of his foreign affairs team.

The team has advised the president to refrain from comments that might provoke the North as inter-Korean relations soured after North Korean President Kim Il-song's death in July.

Kim, too, faces a popular verdict with local autonomy elections slated for next year, and he cannot afford to leave the nuclear problem unresolved.

He may want a more hard-line diplomatic team that can deliver more than the present lineup.

Press Views President's Remarks

SK1110070494

[FBIS Editorial Report] The following is a compilation of editorials carried in Seoul vernacular newspapers on 11 October on ROK President Kim Yong-sam's remarks describing the U.S. position in the U.S.-DPRK talks in Geneva as being "naive and overly flexible" in an interview with THE NEW YORK TIMES and "naive and weak" in an interview with Japan's ASAHI SHIMBUN. With the exception of HANGYORE SINMUN, editorials in Seoul's press show support for the ROK President's remarks.

The conservative CHOSON ILBO publishes on page 3 a 1,200-word editorial entitled "ROK Has Its Own Position." The editorial notes that some U.S. media and experts on Korea raised criticism against the ROK's hardline forces hindering negotiations when the ROK Government asked that no further concessions be made to North Korea at DPRK-U.S. negotiations. President Kim Yong-sam's remarks on the U.S. administration's lack of a correct awareness of North Korea, reflects the concern of Koreans that some U.S. press and experts are not well aware of the essence of the North Korean nuclear problem and that the United States may not be carefully reviewing the consequences of the conclusion of the DPRK-U.S. nuclear negotiations. The editorial says that the ROK is "most seriously concerned about North Korean nuclear activities," and therefore, it is quite natural for the ROK to express its position when it assesses that the United States is seeking a "premature [soligun]" approach to resolving the North Korean nuclear issue. The editorial points out that President Kim Yong-sam's recent interview with THE NEW YORK TIMES was prompted by such a sentiment in the ROK, and does not merely reflect the view of hardline forces. The editorial stresses that the view held in some U.S. quarters which is critical of the ROK is an "excessively U.S.-centered view" and that "they failed to correctly realize the ROK's aim and intention to support North Korea's light-water reactor." The editorial writes that the ROK's policy toward the North Korean nuclear problem is "more heartfelt," because of the need to ward off a North Korean nuclear threat. The editorial concludes by noting that "with the revelation of the unfairness in DPRK-U.S. nuclear negotiations, the views of the Korean people and government have become one."

The moderate HANGUK ILBO publishes on page 3 a 1,300-word editorial under the headline, "President Kim's Discontent With the United States." Noting President Kim Yong-sam's remarks critical of U.S. policy and attitude toward North Korean nuclear problem is "exceptional," the editorial writes that the U.S. Secretary of State Christopher expressed concern to the ROK foreign minister, thus pointing to "atmosphere of seriousness between the ROK and the United States." Noting the different views and interests from the outset between the ROK and the United States over North Korea's nuclear problem, the editorial states that the United States approached this issue in an attempt to appease North Korea and prevent the collapse of the Nuclear Nonproliferation Treaty (NPT) while the ROK wants to block all North Korean nuclear activities for peace and stability on the Korean peninsula. Expressing "mixed feelings" regarding the confusion in the government's North Korean policy, the editorial urges the ROK Government to propose a clear solution to the North Korean nuclear problem in order to convince the United States of the ROK's basic, ultimate position.

The moderate KYONGHYANG SINMUN publishes on page 3 a 1,200-word editorial entitled, "North Korea Should Not Keep Nuclear Negotiations Dragging." The editorial notes that President Kim Yong-sam's expression of discontent with the U.S. attitude in negotiations with North Korea on the nuclear issue was "quite natural, and nothing unusual" considering the differences that remain between the DPRK and the U.S. in Geneva talks, and says that it can be taken as a warning that no one should doubt the ROK's stance on verifying North Korea's past, present, and future nuclear activities. The editorial urges North Korea not to attempt to gain more concessions from the United States.

The editorial also calls on the United States "to sincerely consider President Kim's criticism," instead of merely showing displeasure.

The pro-government SEOUL SINMUN publishes on page 3 a 1,300-word editorial entitled "One Should Listen to ROK's Remarks on North Korea." The editorial writes that President Kim Yong-sam's call for a firm, principled U.S. position on its negotiations with North Korea is "a timely warning" and a reconfirmation of the ROK Government's position, and that in spite of the U.S. side's concessions, the DPRK-U.S. talks are deadlocked due to North Korea's unreasonable demands. Stressing that we know North Korea better than anybody else in the world, the editorial writes that "the ROK's interests and will should be respected and given priority in the improvement of DPRK-U.S. relations." The editorial notes that the U.S. attitude of taking issue with the ROK's security law and with the ROK's human rights issue while keeping silent on North Korea's human rights is "something that we, the ROK people, can hardly understand," and urges the U.S. administration to fully understand this.

The left-leaning HANGYORE SINMUN carries on page 2 a 1,400-word editorial entitled "The President's Cold War-Oriented View on North Korea." While noting that it is difficult to understand President Kim's hardline remarks against North Korea in an interview with foreign newspapers, the editorial says that "U.S. efforts to resolve problems through dialogue despite various difficulties should be praised highly." The editorial notes that the DPRK-U.S. talks, which excluded the ROK, are not necessarily disadvantageous to the ROK, as shown during the ROK-PRC and ROK-Russia negotiations for the establishment of diplomatic relations, which did not include the DPRK. Expressing "disappointment" with President Kim's remarks, the editorial notes that "the people are concerned with the difficulty in realizing harmony between the positive negotiation attitude of the United States and the remarks of ROK President Kim, which "would hardly have been mentioned even during the cold-war era."

Further on Press Reaction

SK1110100494

[FBIS Editorial Report] The following is a compilation of articles carried on the 11 October ROK vernacular dailies which review reactions to President Kim Yong-sam's recent remarks concerning the U.S. attitude toward the North Korean nuclear issue.

On page 3, the conservative CHOSON ILBO carries a 1,500-word article written by reporter Hong Sok-chun reviewing the difference in the views between the ROK and the United States following President Kim Yong-sam's interview with THE NEW YORK TIMES in which he criticizes the U.S. policy of making concessions to the North. The article says that immediately after President Kim made the remarks, the U.S. Government issued a "complaint," but that the governments of the two countries have been consciously trying to play down this issue by saying that this was caused by a "misunderstanding" created by indirect exchanges of views through the media. Citing U.S. Secretary of State Christopher's telephone conversation with Foreign Minister Han Sung-chu, the article quotes Minister Han and other Foreign Ministry officials pointing out that President Kim's remarks were distorted in the process of being made public.

The article states that conflicting views exist within ROK Government officials concerning "the intention of President Kim's tough-line remarks to the United States under a delicate situation." Some officials argue that President Kim admonished THE NEW YORK TIMES for criticizing the hawks in the ROK and this was exaggerated as if his remarks were aimed at the U.S. Government. Other officials speculate that this incident took place as a result of an exaggeration of what President Kim said in a casual way. But the prevailing views are that although President Kim's remarks are somewhat tough for diplomacy, there was a clear-cut message in his remarks addressed to the U.S. Government. The article goes on to say that this message was designed to give "a scathing advice" to the U.S. Administration and the Gallucci team, which have repeatedly been making concessions to the North under the "rationalism" excuse. The article speculates that the U.S. Government regards the ROK Government's various requests as "putting the brakes" on its activities.

On page 3, the moderate HANGUK ILBO carries a 2,500-word article written by correspondent Yi Sang-sok in Washington which quotes government officials as saying: "President Kim's remarks were aimed not at criticizing the U.S. Clinton administration, but at expressing some of his views of the North."

The article reviews the positions of the ROK and the United States regarding President Kim's remarks, by saying that the presidential offices officials believe that President Kim's remarks did not go beyond the boundary of his existing conviction, while some officials in the U.S. Government have a negative view of his remarks. The article quotes some officials in the U.S. Administration expressing their apprehensions by saying that "President Kim's remarks may be apt to weaken the U.S. negotiation capabilities at the Geneva talks." The article also cites another group of U.S. officials as showing a positive attitude toward his remarks by saying that they are trying to regard President Kim's remarks as his intention to "raise an issue."

The article goes on to quote these officials as saying: "Although ROK officials are worried that the United States may be deceived by North Korea by trusting only the North Korean side's promise, the United States will never comply with North Korea's requests, if we do not work out ways to ascertain the reliability of North Korea's promise."

The article concludes by saying: "It seems that we will be able to determine in the near future how firm the U.S. position toward the North-U.S. negotiations is, and whether the ROK Government's apprehensions are groundless."

Kim Yong-sam on 'Firm' Cooperation With U.S.

SK0810072594 Seoul YONHAP in English 0715 GMT 8 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 8 (YONHAP)—South Korean President Kim Yong-sam described Saturday [8 October] what he called firm cooperation with the United States in dealing with North Korean nuclear problem, warning UN sanction is the only alternative if the problem is not solved.

"There is ongoing exchange of opinions between South Korea and the United States under this principle," said Kim in a meeting with the press at his office.

"We have too keep our principle in dealing with the North Korean nuclear issue," said Kim, "It is a promise between myself and President Bill Clinton that this principle cannot be broken."

He made additional warning that "Team Spirit" exercises, annual South Korea-U.S. joint military maneuver, will have to resume if necessary unless North Korea stops its nuclear program.

The president belittled chances of Japan and the United States hurrying economic cooperation with North Korea and advised against inter-Korean cooperation before the nuclear problem is resolved.

"I know some in the media claim we should not fall behind the United States and Japan in economic cooperation with North Korea, but I don't think they will hurry with such activities. There is no reason to," said Kim, "We should not think about economic cooperation with North Korea until after the problem is cleared."

"The era of competition with North Korea about whose system is superior is over," said Kim.

Asked about ratification of the Uruguay Round (UR) Agreement, he called the process "not a choice but something we have to do as a matter of fact."

But Seoul will not make haste with the ratification and watch how the matter proceeds in Japan and the United States, said Kim.

On domestic issues, the president denied there will be a mass cabinet reshuffle toward end of the year but did not rule out chances of partial personnel change.

He said he does not have any special thoughts about reshuffle in his ruling Democratic Liberal Party.

The president was optimistic about economic conditions this year, predicting at least 7.5 percent in growth if the current up mood continues.

"We can keep the inflation down to 6 percent, and exports will reach 92 billion U.S. dollars," he said.

Further on Remarks

SK0910010994 Seoul THE KOREA HERALD in English 9 Oct 94 p 2

[FBIS Transcribed Text] President Kim Yong-sam said yesterday that South Korea will resume this year's joint military exercise with the United States, 'Team Spirit,' if North Korea does not halt its nuclear weapons program.

He also said that the North Korean nuclear issue will be referred to the U.N. Security Council if the ongoing U.S.-North Korea talks in Geneva fail.

In a luncheon meeting with Chongwadae [presidential offices] correspondents, President Kim said that he would not make any hasty approach in dealing with North Korea.

He ruled out any possibility that the Seoul government may promote economic cooperation with the North before the solution of its nuclear question.

"I will not make any hasty judgments in any of the aspects (of North Korean affairs)," Kim said.

The President continued that the North, in ignorance of inter- Korean agreements, is developing nuclear arms and continues to slander South Korea.

"It is our consistent position that the North should not be allowed to possess a nuclear bomb and it should guarantee its nuclear transparency," Kim stressed.

He noted that the Seoul government has promised to provide the North with light-water reactors and other technical and financial assistance if it stops developing nuclear weapons and wants peace on the Korean Peninsula.

"If the North does not do so, we can do nothing but resume the 'Team Spirit' exercise," Kim said. "We need to maintain our own (military) power to defend ourselves."

Top defense officials from South Korea and the United States are now holding their annual meetings in Washington and they have agreed to make the final decision on this year's Team Spirit, tentatively put off until November, on the basis of the U.S.-North Korea talks now under way in Geneva.

President Kim said that the Geneva talks have not yet produced any agreement. He refused to predict the outcome of the negotiations.

He did, however, indicate that South Korean and U.S. officials are already working on follow up measures in preparation for a failure in the Geneva talks.

"If the talks do not proceed well to the end, there is no other alternative but to refer the North Korean nuclear problem to the U.N. Security Council," he said.

"We are exchanging opinions with the United States in this context," Kim added.

The President made it clear that he would not seek any radical improvement of inter-Korean relations.

"We should not think of economic cooperation and other matters before the settlement of the nuclear problem." He said that the (South Korean) news media seems to show too much interest in the issue of economic cooperation with North Korea. "They report that we should not be left behind the United States and Japan in economic cooperation with North Korea," Kim said.

"It is the wrong perspective," the President continued, adding that the United States and Japan are not making any hasty moves towards North Korea either because "they have nothing to gain."

What is most important is to solve the nuclear issue and the government will not make any hasty decisions on North Korean affairs, Kim emphasized.

On domestic issues, President Kim sought to down play the recent series of incidents that have led to a rapid decline in his popularity. "All of these provide us with an opportunity to turn misfortune into a blessing," Kim said, touching on the tax embezzlement scandal, cold-blooded kidnap-murder cases, and the Army officers' desertion case.

Apparently bearing in mind the mounting criticisms against the civil service and the Armed Forces in the wake of the incidents, the President appealed to the news media to consider the morale of public employees and soldiers.

"I hope that you will not condemn all civil servants because most members of the civil service, despite being paid poorly, are doing their jobs (well) in silence," he said.

The President appeared concerned about the growing public skepticism about the state of discipline in military barracks saying, "there are bound to be some strange people among the 600,000 members of the Armed Forces," adding that the desertion case provided a good occasion to redress any problems.

He went on to cite a recent survey in which he said more than 75 percent of the people said they trusted the Armed Forces.

"It is amazing that our people have this high level of confidence in the Armed Forces despite the recent incident," Kim said, continuing "I hope you look at the Armed Forces with affection and love."

On recent speculations that he might conduct a sweeping reshuffle of the cabinet, the ruling Democratic Liberal Party and Chongwadae lineup around the end of this year, Kim commented that "under the presidential government system, it is undesirable to make cabinet shakeups frequently." He said that he thinks the South Korean news media is simply emulating Japanese politics and journalism as Japan's cabinet government system results in frequent and large scale cabinet reshuffles.

"Our news media should think twice about the practice of using the phrase 'a sweeping cabinet reshuffle'."

The President said that he is not concerned about the decline in his approval rating.

Kim Yong-sam Interviewed on North-South Issues

SK0910072894 Seoul CHUNGANG ILBO in Korean 9 Oct 94 p 5

['Gist' of remarks by ROK President Kim Yong-sam at 'luncheon bull session' at Chongwadae (presidential offices) with unidentified Chongwadae correspondents on 8 October—compiled by reporter Kim Tu- u]

[FBIS Translated Text] [Correspondent] Please tell us if you have any particular plan in mind for inter-Korean dialogue.

[Kim] I think competition between us and North Korea has already proven which side's system is superior. North Korea should abandon the fantasy of disturbing and communizing the South. It is an impossible and useless fantasy.

We have conducted dialogue with North Korea on 400 occasions over the last 50 years, but there has not been constructive dialogue, nor did North Korea keep the promises that it made, including important ones. Nevertheless, because we are in a superior position over North Korea, we will maintain a dauntless and open attitude in dealing with them.

[Correspondent] At the annual Security Consultative Meeting, the ROK and the United States agreed to resume the Team Spirit joint military exercise if North Korea does not prove its nuclear transparency.

[Kim] Our position is that North Korea should not be allowed to have a nuclear weapon—not even half a nuclear weapon. If North Korea truly wants peace between the North and the South, it should stop the nuclear program. Otherwise, we have to resume the Team Spirit exercise, for we must maintain strength to defend ourselves.

[Correspondent] Do you not intend to solve the economic cooperation problem while coping with the North Korean nuclear issue calmly?

[Kim] Some maintain that we should not be outdone by Japan and the United States in initiating economic cooperation with the North, but I do not think the United States and Japan will begin economic cooperation with the North in a hurry, nor do they have any reason for hurrying the economic cooperation. We should not think of economic cooperation before the nuclear issue is resolved.

[Correspondent] What are the prospects of the North Korean-U.S. negotiations and what is the position of the government on the UN Security Council sanctions regarding the North Korean nuclear issue?

[Kim] Regarding the North Korean nuclear issue, the ROK and the United States have been maintaining a firm joint cooperation system, holding sufficient discussion before and after the talks. The two countries are exchanging their views from the perspective that unless the nuclear issue is settled here (in the Geneva talks), it will have to be referred to the UN Security Council after all.

The major principle should be adhered to in dealing with the nuclear issue, and President Clinton and I have promised that this principle must not change.

[Correspondent] When will you select the candidates for the elections for the local autonomous system, and what will be the criteria for the selection?

[Kim] I do not think it is proper to discuss it now because the election is 10 months away. It is not appropriate to create an atmosphere for the election too early, for the sake of a fair election.

[Correspondent] There is a rumor that there will be a major cabinet reshuffle after the regular session of the National Assembly is over.

[Kim] Regarding the cabinet reshuffle, our press is thinking of the Japanese style. Japan, with its parliamentary cabinet system, changes the entire cabinet when the new prime minister comes into power, but under the president-centered government system, major reshuffle is not a suitable word.

[Correspondent] Then can we assume that there will be some reshuffle for the selective posts?

[Kim] You may think as you please.

[Correspondent] Many talk about Mr. Pak Tae-chun these days.

[Kim] I would rather not comment on it here.

[Correspondent] Some say that although the president is working hard, his popularity is falling because there are problems with his staff.

[Kim] After my inauguration I enjoyed excessively high popularity and I was worried about it. Some time ago we conducted a survey in our own fashion, and we think that the present level of popularity is high enough. My staff members tell me everything.

There are groups that wish that the civilian government carry out its duties successfully. They tell me the truth, and convey to me their opinions in writing through debates. Some say that I do not listen to what I do not like to listen to. That is an incorrect report.

[Correspondent] Do you think that there is a need for a reorganization of the party toward the end of the year?

[Kim] I do not have any particular idea about it.

Seoul To Supply Power to North 'Next Year'

SK0810075294 Seoul YONHAP in English 0740 GMT 8 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 8 (YONHAP)—South Korea will include specific plans for supplying electric power to North Korea next year, Yi Chong-hun, president of the Korea Electric Power Corp. said Saturday.

Answering lawmakers' questions during parliamentary inspection, Yi said the long-term goal is to establish a unified electric power system for inter-Korean mutual exchanges.

"In preparing for the era of national unification, we can think of short-term measures such as connecting power stations close to the border, supplying power to certain areas of North Korea, and assistance in building power plants in North Korea," he said.

His corporation hasn't yet reflected these ideas in its present long-term power supply plans but plans to do so next year, he said.

Olympic Official Welcomes North's Participation

SK0810082794 Seoul HANGYORE SINMUN in Korean 8 Oct 94 p 3

[Report by YONHAP from Tokyo]

[FBIS Translated Text] On 7 October, Kim Un-yong, vice chairman of the International Olympic Committee and chairman of the Korean Olympic Committee, said that the ROK welcomes North Korea's participation in various international games that will take place in the ROK in the late nineties and that North Korea would be allowed to hoist its national flag and play its national anthem during these games.

In an exclusive interview with Japan's KYODO news agency while attending the 12th Asian Games in Hiroshima, Japan, Chairman Kim said that the ROK, as a member of the international society, will be flexible toward North Korea's use of its national flag and anthem. Regarding the exchange of sports between the North and South, which has been long suspended, Chairman Kim stressed: "We hope not only to compete in international sports games as a single Korean team but also to gradually hold the North-South games in soccer, table tennis, and other sports if the political situation improves." He said a long distance relay race across the Korean peninsula would also be favorable.

The ROK will host the Winter Universiade and the East Asian Games in 1997, and the Winter Asian Games in 1999.

DPRK Participation at Trade Meet 'Virtually Aborted'

SK0810092994 Seoul YONHAP in English 0916 GMT 8 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 8 (YONHAP)—North Korea's participation at next week's international conference here is virtually aborted, Unification Board officials said Saturday.

The European Union (EU) Chamber of Commerce, sponsor of the conference on Najin-Sonbong free trade area development slated for Oct. 11, has not yet requested Seoul government approval for visit by the North Korean mission, according to the board.

"It is difficult now for the North Korean team to come to Seoul by the 11th," said one official.

A four-member delegation led by Yim Tae-pok, vice chairman of the External Economic Cooperation Promotion Committee, was expected at the conference. The team would have been the first to come to Seoul since North Korean President Kim Il-song's death in July.

The EU Chamber of Commerce had invited North Korea to the conference.

North Letter Supports Investment

SK1110044294 Seoul KBS-1 Radio Network in Korean 0400 GMT 11 Oct 94

[FBIS Translated Text] North Korea has sent a letter in the name of the External Economic Cooperation Promotion Commission to the seminar on the Najin-Sonbong

Free Economic and Trade Zone which was held today at the Ramada Renaissance Hotel in Yoksam-tong, Seoul, under the auspices of the European Union [EU] Chamber of Commerce and Industry in the ROK, calling on enterprises at home and abroad to take interest in the Najin-Sonbong zone.

In connection with its plan to develop the Najin-Sonbong zone, North Korea made clear that it is planning to expand the existing 100,000-kilowatt thermoelectric power plant into a 400,000 to 500,000-kilowatt plant; to establish a telecommunications center linking it with Hunchun, China, and Vladivostok, Russia, with optical fiber cables; to construct an airport and open an air route linking Pyongyang, Sonbong, and China's Yanji.

North Korea stated that a total of 10 industrial complexes, including a light-industry complex, and an electronics and automatic industrial complex, will be constructed in the Najin-Sonbong Free Trade Zone.

Further on Letter

SK1110083994 Seoul YONHAP in English 0751 GMT 11 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 11 (YONHAP)—North Korea has sent a letter to the Najin-Sonbong free economic and trade zone seminar which opened in Seoul Tuesday, urging participants to pay attention to the free trade zone.

The seminar, sponsored by the European Union (EU) Chamber of Commerce in Seoul, opened at the Ramada Renaissance Hotel in southern Seoul Tuesday with about 170 local firm representatives of EU member nations, South Korean and U.S. businessmen attending.

The North Korean delegation did not come, but the United Nations Development Program (UNDP) representative in Pyongyang, F. Achikjad, was present.

In an eight-page letter accompanied by an eight-page brochure, North Korea's Committee for the Promotion of External Economic Cooperation disclosed that thus far this year 60 foreign delegations, comprising over 200 people, have visited the Najin- Sonbong free trade zone for site surveys and investment consultations and six contracts have been signed.

In order to develop the free trade zone, according to the letter, North Korea will increase the capacity of the existing 100,000-kw heavy oil power plant to 400,000 to 500,000 kw, construct a communications center connecting Hunchun, China and Vladivostok, Russia with optical fiber cables, and build an airport to be linked with Pyongyang and Yanji, China.

The Najin-Sonbong free trade zone will have 10 industrial estates including ones for light industry, electronics and automation, food processing, machines, chemicals and construction materials, lumber processing and textiles.

Najin port pier one has been equipped with transport facilities capable of handling 1 million tons of fertilizer, and a 200-bed hotel is near completion, according to the letter.

In the meantime, two theme papers were delivered at the seminar Tuesday. They were "Tuman River area development program" given by John Whalen, UNDP program manager in charge of the Tuman River development program, and "investments in the Tuman River area and the Najin-Sonbong free trade zone" by Ian Davis, China and North Korea director of the U.N. Industrial Development Organization (UNIDO).

During the lunch hour, the seminar participants watched a video tape on the Najin-Sonbong free trade zone produced by the North's Committee for the Promotion of External Economic Cooperation.

PRC Cited on DPRK Strategy

SK1110032194 Seoul YONHAP in English 0235 GMT 11 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 11 (YONHAP)—North Korea is making sweeping changes in its trade policy while allowing independent overseas transactions in most production sectors, China's Heilongjiang Broadcasting Station reported last Friday.

Naewoe Press, South Korea's official North Korea watcher, said Tuesday that the Chinese broadcasting organ carried the report in introducing a North Korean speech presented to an international academic meeting in Shenyang, Liaoning Province, last August.

Under the title of "Korea's New Development Strategy," the deputy director of the Economic Research Institute at the North's Chuche (self-reliance) Idea Academy, Kim Chong-ki, said Pyongyang's new trade policy was becoming more independent and split from the authority of state trade organizations.

The broadcast added that the new policy is designed to promote overseas trade by having all production fields possess their own trading oraganizations, establishing joint-venture businesses and banks, and setting up free economic and trade zones and free ports.

As part of its strategy, North Korea plans to expand the Najin-Sonbong free economic and trade zone to 764 square km from 621 square km and launch a third-stage construction project.

The new policy also calls for expanding the functions of the free economic and trade areas—whose role was previously restricted to intermediate trade—to export processing, international financing and sightseeing bases while allowing free entry and exit of commercial goods, capital, technology and people, the organ reported.

Guidelines Drafted To Allow Companies in DPRK

SK1110101694 Seoul CHUNGANG ILBO in Korean 10 Oct 94 p 26

[Report by Sim Sang-pok]

[FBIS Translated Text] ROK companies will be allowed to carry out limited business activities in North Korea when they open branches in North Korea. A business permit issued by the government to open a branch office in North Korea shall be valid for three years, and the number of staff for a branch shall not exceed five.

This is included in the "Guidelines for North Korean Branches" the government is drawing up in preparation for the South-North economic cooperation that would be realized when North Korea's nuclear inspection issue is resolved and South-North relations improve considerably.

Regarding this, an official of the Economic Planning Board [EPB] stated that the EPB recently finished a draft of the document and conveyed it to the National Unification Board [NUB], which will be in charge of implementing the guidelines.

According to the EPB, North Korean branches of domestic companies shall carry out only non-business activities—such as communication, collection of information, and counselling, in principle. However, they shall be allowed to do such business activities as signing a contract for direct or indirect trade. It has been learned: At first, the government planned to prohibit all business activities. However, viewing that such a restriction would be ineffective and unprofitable, the government decided to allow business activities within certain limits.

Companies in all categories of business can open branches in North Korea. A North Korean branch approved by the NUB can be operated for three years unless there is any special reason, and it is possible to extend the business license for three more years each time.

The number of personnel of a North Korean branch is limited to five at present. However, the government will consider increasing the number or allow each company to determine this.

The EPB official stated: "It is the government policy that in mapping out the Guidelines for North Korean Branches, the government will put a minimum restriction as a systematic device to prevent excessive competition among domestic companies."

Russia's Panov Comments on DPRK Nuclear Issue

SK1110081094 Seoul SISA JOURNAL in Korean 13 Oct 94 p 10-11

[Interview With Russian Deputy Foreign Minister Panov by Professor Yi Chang-chu of Won-Kwang University—date and place not given; first two paragraphs are editor's notes]

[FBIS Translated Text] At a time when North Korea has expressed that it prefers a Russian-model light-water reactor system, a key point in the solution of the North Korean nuclear issue, special attention has been drawn to the rapid pace in which relations between North Korea and Russia have recently become closer. Speculation abounds regarding whether the honeymoon relations which existed in the era of the former Soviet Union, will return with Russian Deputy Foreign Minister Aleksandr Panov visit to North Korea during 21-23 September.

In the past, Deputy Foreign Minister Panov served as director of the Asia Bureau and director of the Japan Bureau at the Foreign Ministry. He is a diplomat who served as Russian ambassador to the ROK from July 1992 to November 1993. SISA JOURNAL commissioned Professor Yi Chang-chu of Won-Kwang University who is now teaching at the Economic Department of Moscow University as a guest professor to conduct a special interview with Deputy Foreign Minister Panov upon his return from his visit to North Korea as the special envoy for Russian President Yeltsin.

[Yi Chang-chu] Did you obtain satisfactory results from your visit to North Korea?

[Aleksandr Panov] Although the duration of my visit was short, I met many people there. We agreed on mutual cooperation and improving relations between the two countries. I think my visit was useful.

[Yi] The third round of U.S.-DPRK talks in Geneva now faces difficulties because the two sides have failed to narrow differences on the issue of the light-water reactor system. Why is North Korea interested in the Russian-model light-water reactor system?

[Panov] In principle, North Korea wants to have the Russian-model light-water system. In fact, Russia and North Korea have reached a basic agreement on this problem. There are due reasons for North Korea to demand a Russian-model light-water reactor system and for Russia's specific response to this demand.

First, Russia and North Korea have signed an agreement on the construction of atomic power plants. Although the implementation of this agreement was suspended because of the nuclear issue, Russia and North Korea have already finished all concrete preparations in accordance with this agreement, such as the selection of facilities and sites for atomic power plants, survey of activities to determine appropriateness of the construction of the plants, and technological and operational matters in construction.

Second, North Korea has received training concerning Russia's nuclear technologies and operations, and the two countries have deepened relations of mutual trust through the exchange of technical personnel.

Third, Russia has already made considerable material contribution to North Korea.

Fourth, the Russian-model light-water reactor system can be constructed with almost half the expense of the

ROK-model light-water reactor system—$2 billion will suffice. In addition, the North Korean leadership is absolutely opposed to the ROK-model atomic reactors.

[Yi] Has Russia ever had negotiations with the United States regarding its support of the light-water reactor system?

[Panov] I can say that negotiations have started with the United States. President Yeltsin discussed this issue with President Clinton when he visited the United States and officially delivered Russia's position to him. While I cannot reveal the results to you, I can say that the results were affirmative.

[Yi] In connection with the issue of the Russian-model light-water reactor system which is now under discussion, how extensive has cooperation been between Russia and North Korea? If the Russian-model light-water reactor system is adopted, how will funding for this be solved?

[Panov] As I mentioned earlier, we have just finished the preparatory stage, and North Korea is strongly demanding [the Russian-model light-water system]. Russia is also making active preparations. I think it would be both reasonable and in the interests of North Korea to use the Russian-model light-water reactors. Our plan on resolving the issue of funding is to form a consortium excluding the United States [as published] in which Russia provides the basic facilities and technologies, and the ROK, Japan, and the United States supply the supplementary facilities, such as computer equipment.

[Yi] Do you think the Russian-model light-water reactor system is better than the Korean one?

[Panov] The Russian-model light-water reactors are more adaptable and suitable to North Korea. Also, they are economical. The ROK insists that the Russian-model light-water system is inferior to the Korean one in terms of performance. However, I think this is an incorrect analysis and assessment. The Russian-model light-water reactors are being used in Finland. They are operating superbly in that country. They have received outstanding international evaluation.

[Yi] It seems that Russia and North Korea have recently gone back to the honeymoon-type relations of the former Soviet period. Is there any particular reason?

[Panov] I cannot give any particular reason but it is true that Russia intends to recover political, military, and economic relations to the level of the former Soviet days. North Korea is our ally. It is the same with the ROK. We do not agree to North Korea's policies in terms of ideology but political, military, and economic relations with North Korea are important to Russia. We are not in competition with the United States regarding relations with the Korean peninsula, as regarded by some outsiders. However, it is true that Russia wants to play a certain role.

[Yi] What is Russia's concrete plan to help North Korea, including economic aid?

[Panov] North Korea has not officially requested economic aid and Russia has not presented any proposal. During my visit, we agreed in principle on expanding trade between the two countries. Trade between Russia and North Korea was approximately $400 million in 1993, but it is expected to drop to $300 million in 1994. This is serious for us. In North Korea, there are 10 large-scale industrial facilities built under Russia's support. They require Russia's raw material and technology for normal operation. Russia does not insist on cash payment as it did before. Russia is considering economic aid to North Korea through a preferential format. In connection with this, a Russian economic cooperation delegation led by Government Deputy Chairman Shokhin will visit Pyongyang in late October.

[Yi] Kim Chong-il's succession of power is being delayed. Do you have any specific verified information? When do you think the succession will take place?

[Panov] I came to the conclusion that there is nothing unusual in North Korea and its national order is firm. The Kim Chong-il system has already settled down and as I recall my previous visit, things were the same as during the Kim Il-song regime. According to what we have been notified, Kim Chong-il's succession of power will become official in the middle or at the end of October. Any worries or concerns regarding this are unnecessary and wasteful speculations at this point.

[Yi] There have been ceaseless rumors surrounding Kim Chong-il's health. How was his health?

[Panov] The rumors about Kim Chong-il's health are groundless. North Korea is currently under the vigorous leadership of Kim Chong-il.

[Yi] It seems that the North Korean hard-liners and moderates are in conflict regarding the nuclear issue. Do you have any information about this?

[Panov] As in the ROK, North Korea also has hard-liners and moderates. We always worry about the hard-line conservative forces when it comes to matters concerning the Korean peninsula. The North Korean hard-liners are particularly hostile and negative against the ROK Government. At least in the ROK issues, the hard-liners are gaining grounds. I think this is the same in the ROK. Since the first day I arrived there, all the North Koreans denounced the ROK Government. I think it is because of the ROK's reaction and policy taken after the death of President Kim Il-song. If the ROK continues to stress the threat of North Korea, the North Korean hard-liners will have more to say. This will result in heightened tensions on the Korean peninsula. Like the United States, we are also deeply concerned about the hard-line conservative forces' gaining power in both South and North Korea, which is opposite to the international trend. Russia deems it a bigger obstacle to the resolution of the North Korean nuclear issue that the South Korean hard-line conservative forces are dominating the ROK policy on North Korea, than the selection of light-water reactors.

[Yi] What does Russia think of the fact that the third round of U.S.-DPRK talks seem to have fallen into a stalemate due to North Korea's refusal to receive special inspections [tukpyol sachal]?

[Panov] Russia is of the firm belief that based on adequate investigations, North Korea does not possess any nuclear weapons. However, we believe that there is more plutonium—which can be used to produce nuclear weapons—than has been revealed. In other words, we can say that North Korea has hidden a certain amount of plutonium. Even if a special inspection is conducted, Russia believes that it will be impossible to uncover the hidden plutonium. Therefore, North Korea must give up its past plan to produce nuclear weapons, guarantee that it will not produce any kind of nuclear weapons in the future, and provide surveillance procedures. Sticking to the claim of holding the insignificant special inspection is only a time-consuming dispute. Neighboring countries, including Russia, support the establishment of diplomatic relations between the United States and North Korea. I cannot understand why the ROK, the party concerned, is aggravating the atmosphere by presenting conditions that are not realistic. The ROK Government should not look at the surface of the U.S. and Japanese plans, but needs to look into their hidden intentions.

[Yi] What kind of a role do you believe Russia can play in the future in the process of advancing South-North Korean relations?

[Panov] In a nutshell, what I certainly felt when I was in North Korea was that South-North dialogue is impossible under the current situation. What North Korea officially notified our delegation is that it will not carry out any kind of dialogue or negotiations with the ROK under the current situation. Dealing with North Korea by attaching conditions while squeezed in between the U.S.-North Korea negotiations, has no feasibility and it does not look good either. Compared with North Korea, the ROK has absolute comparative advantages. The ROK is in reality superior in war potential in the military field, not to mention the political and economic fields. China and Russia would not intervene even if a war broke out on the Korean peninsula. However, the United States would actively support the ROK. Therefore, from this perspective, the ROK is superior in the military field, as well. North Korea is isolated from the international community. The ROK established diplomatic relations with Russia and China, but North Korea has not yet established diplomatic relations with the United States and Japan. The one with the power must make concessions first and patience is necessary. I would like to recommend that rather than presenting conditions and making revised proposals all the time in relations with the North, the ROK should establish the policy of inducing North Korea to open up by accepting North Korea's proposals. Currently, the Jimmy Carter diplomacy is a focus of interest on the Korean peninsula. I believe that this is only a way to save the U.S. diplomatic face, and that there is no special role and effectiveness in resolving the Korean peninsula issue. It is sad to see that recently in the ROK, the government and the opposition are clinging to Jimmy Carter's sleeve, competing to deal with the North Korean issue, when North Korea is not budging at all. The ROK must negotiate with North Korea fair and square, and it is necessary to support them. This will be the best policy in approaching the Korean peninsula issue according to the principle of the parties concerned of the South and North of Korea. Russia has continuously been calling for an international meeting to resolve the North Korean nuclear issue. However, this was rejected by the United States and North Korea. Fortunately, now the United States and North Korea are all showing positive signs regarding this matter. Russia's policy toward the Korean peninsula is to deal with the North Korean nuclear issue; substitute facilities; the issue of establishing U.S.-North Korean diplomatic relations; denuclearization of South-North Korea; and South-North cooperation, through an international meeting with South and North of Korea, with the participation of the United States, Japan, China, and Russia.

Succession Reportedly To Be Finalized 16-18 Oct

SK0910040594 Seoul CHUNGANG ILBO in Korean 9 Oct 94 p 2

[By correspondent Mun Il-hyon from Beijing]

[FBIS Translated Text] It was learned that under the policy of putting the finishing touches on the succession of power right after the mourning period for Kim Il-song ends, Pyongyang plans to hold a Workers' Party of Korea [WPK] Central Committee meeting on 16 October to elect the party general secretary, and the Supreme People's Assembly [SPA] on 17 and 18 October to elect the president.

A high-ranking diplomatic source in the PRC revealed on 8 October: "In contacts with the PRC, the DPRK delegation led by Vice Foreign Minister Cho Kyu-il, which has been officially visiting the PRC since 4 October, officially notified Beijing of the schedule for the succession."

This source stated: "The PRC was notified that after holding a memorial service on 15 October on the lapse of 100 days since Kim Il-song's death, Pyongyang will convene a meeting of the WPK Central Committee on 16 October to elect the party general secretary, and on 17 and 18 October it will hold the SPA to elect the president."

This source added: "The DPRK delegation repeatedly confirmed that the work to assume practical power by

Kim Chong-il is progressing smoothly without any problems. However, there was no clear mention on whether the position of president, which is burdened with much work, will be handed over to a third figure due to health reasons."

Kim Chong-il 'Likely To Appear' 'Next Week'

SK0810013794 Seoul YONHAP in English 0128 GMT 8 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 8 (YONHAP)—Kim Chong- il, presumed to be the de facto leader of North Korea, is likely to appear in public next week for the first time since his father Kim Il-song's funeral in mid-July, government sources said Saturday [8 October].

"North Korea will hold a ceremony to commemorate the 100th day after Kim Il-song's death and several other important official events next week," the sources said. "Kim Chong-il will likely attend considering that the ceremonies are important national events.

"Kim Chong-il is expected to complete procedures to take office as the official No. 1 man in North Korea late this month, after the ceremony to mark the end of the 100-day mourning period over Kim Il- song's death, considering all the information collected so far.

"Kim Chong-il's failure to attend all of the important events next week, however, could be proof of his failing health or signal problems with his ascension to power," the sources revealed.

Pyongyang will hold ceremonies to celebrate the 49th anniversary of the founding of the Workers' Party next Monday, to mark the completion of the tomb of Tangun, the founder of the nation, and to commemorate the end of the 100-day mourning period for Kim Il-song next week, they said.

Kim Chong-il will have to attend the ceremony marking the completion of Tangun's tomb, work ordered by his father, and the one for the 100th day after Kim Il-song's death unless he is having problems taking over power.

Delay in Tangun Ceremony Linked to Succession

SK0810051794 Seoul YONHAP in English 0503 GMT 8 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 8 (YONHAP)—North Korea has put off plans to dedicate the renovated tomb of Tangun (the founder of Korea some 4,300 years ago) in early October, fueling speculation here that the North will use the event to establish the Kim family dynasty and advance its unification strategy.

As Pyongyang announced on Sept. 30 that Tangun's renovated tomb would be dedicated "in early October," North Korea watchers here thought the dedication ceremony would coincide with South Korea's observance of the 4,326th anniversary of Tangun's founding of the nation on Oct. 3. However, North Korea failed to hold the dedication ceremony on the national foundation day.

In an interview with the (North) Korean Central News Agency on Oct. 3, a spokesman for the Tangun Tomb Renovation Committee confirmed the dedication ceremony had been put off. Noting the arrival in Pyongyang of representatives of overseas Korean communities and South Korean students, he cited the non-arrival of other South Korean invitees as the reason.

The South Korean student representative, Choe Chong-nam, 25, co- secretary-general of Pomchonghangnyon (the Federation of Youth and Student Organizations for Fatherland Unification), said during a press conference at a Pyongyang hotel on Oct. 2 that he would attend mourning programs for the late Kim Il-song on behalf of Hanchongnyon—the Federation of (South) Korean University Student Associations—while in North Korea. He revealed that another part of his mission to the North was to meet with North Korean students to discuss achieving national unification.

On Sept. 25, Pyongyang invited the leaders of major South Korean political parties and social organizations to attend a ceremony dedicating Tangun's renovated tomb slated for "early October."

It is doubtful that these South Korean no-shows were the real reason behind the ceremony's postponement. The dedication of Tangun's renovated tomb is a North Korean event, and its delay simply because outside invitees failed to come is beyond the pale of common sense.

Consequently, speculation in Seoul has it that the real reason for the postponement is that "something" is keeping Kim Chong-il from attending.

Considering the Stalinist country's hidden scheme of using the renovation of Tangun's tomb to establish the Kim family's hereditary power succession and Kim Chong-il's leadership in its confederation- oriented unification strategy, a dedication ceremony without his presence would be meaningless.

The reason for the delay in Kim Chong-il's ascension to the throne may also apply to his being unable to attend the Tangun ceremony in early October.

North Koreans say the delay in Kim's succession to power is due to his own wishes. Radio Pyongyang, in a commentary aired Sept. 23, quoted Kim as saying it is unthinkable to take over while the people are still mourning the death of his father.

If this is true, he will take the helm immediately after Oct. 15, the 100th day after the elder Kim's death. And the dedication of Tangun's new tomb might coincide with his ascension to power.

The North is apparently linking the mourning period for Kim Il- song and the Tangun tomb dedication to Kim Chong-il's rise to power as a ruse to establish the Kim family dynasty.

North Korea has fabricated Korean history for this purpose. It denies the Shilla unification of Korea in the seventh century, saying it was Koryo in the early 10th century that first unified the country.

According to the North's view of Korean history, the nation developed in "a legitimate line" of Koguryo-Palhae-Koryo-Choson-Kim Il-song. Pyongyang attempts to include Kochoson, founded by Tangun, in this line, placing it before Koguryo, by renovating Tangun's tomb. It wants to establish a new legitimate line of Korean history from Tangun to Kim Il-song.

The North Koreans also want to use the renovation of Tangun's tomb to solidify Kim Chong-il's leadership and develop their strategy of revolution and unification toward South Korea.

To boost their confederation-oriented unification front, they must make Kim Chong-il a leader representing Korean history's "true development."

Pyongyang has postponed the much-talked-about Tangun ceremony in an apparent move to secure justification for Kim Chong-il's rise to power in line with the Kim family's hereditary power succession and Korean history's "legitimate line of development" by linking the dedication ceremony to the mourning for Kim Il-song. It also appears to be aiming at the grand unity of the entire Korean people under Kim Chong-il as "the legitimate national leader" under its unification strategy based on "a South Korean revolution."

Kim Chong-il, O Chin-u Said Under House Arrest

SK0810021394 Seoul TONG-A ILBO in Korean 8 Oct 94 p 1

[By Kim Chung-sik from Beijing]

[FBIS Translated Text] Rumors that Kim Chong-il and O Chin-u have been placed under house arrest due to a confrontation among various factions within the core of the North Korean power structure have been strongly spreading in Beijing from the evening of 6 October.

A PRC Government source well informed on North Korean affairs stated on 6 October: "Discord among the various factions within the North Korean power structure has intensified since Kim Il-song's death. It seems Kim Chong-il and O Chin-u were placed under house arrest on 4 October by the military's younger faction, which is closely linked with the reformists. It is known the PRC was informed as such on the afternoon of 6 October."

This source further stated: "It has not been confirmed who exactly are the core reformists who challenged the current hard-line conservative forces centered around Kim Chong-il and O Chin-u. However, it is certain that one of the deputy chiefs of the General Staff of the People's Army, who is receiving support from the military's younger faction, took the initiative. Kim Tal-hyon is taking part with the forces that have risen in revolt." This source added: "Rumors that Kim Chong-il has been placed under house arrest spread in Hong Kong beginning on the afternoon of 5 October. Since then, the PRC continued to confirm this from North Korean authorities. On the afternoon of 6 October, the PRC confirmed the outline of the coup d'etat by North Korea's military."

It was reported on 6 October that DPRK Vice Foreign Minister Cho Il-kyu, who is visiting the PRC, strongly denied such rumors.

Riots Said Creating Instability in DPRK

SK0810064094 Seoul CHUNGANG ILBO in Korean 8 Oct 94 p 2

[FBIS Translated Text] It was revealed that North Korea's military and social situation is very unstable, with military riots reported in various localities. It was also learned that cholera, which was known to have developed in only four or five regions, has now spread to some 30 cities throughout the country, including Pyongyang and Hamhung.

According to the members of the National Assembly Intelligence Committee who recently carried out parliamentary inspection of the Agency for National Security Planning [NSP] and its related organs, they stated: "With the delay in the succession of power following Kim Il-song's death, instances of military riots have been reported throughout the DPRK. Thus, both the military and society are experiencing much instability. The North Korean authorities are making every possible effort to deal with this matter."

According to the members of the Intelligence Committee, the outbreak of cholera that began in mid-September is not subsiding, even though the temperature is falling; rather, it is spreading. Already scores have died from it. Due to the seriousness of the situation, the number of cities imposing curfews is increasing.

However, the North Korean authorities are denying the outbreak of cholera. They are experiencing a hard time in taking preventive measures and treating cholera due to a lack of medicine.

O Chin-u's Son Reportedly Defects to China

SK1010093294 Seoul KBS-1 Radio Network in Korean 0900 GMT 10 Oct 94

[YONHAP from Beijing]

[FBIS Translated Text] A North Korean general, son of O Chin-u, minister of the People's Armed Forces of North Korea and commander of a special operations unit under the Ministry of People's Armed Forces, reportedly defected to China last month because he was disillusioned with North Korea's father-son succession system. As a result, the North Korean supreme leadership and military leadership reportedly have been placed at the highest alert to arrest him. O Chin-u is the second in line to the North Korean leadership.

A Chinese source well versed with North Korean affairs said today: North Korea and China have kept O Chin-u's son's defection to China top secret. In particular, North Korea sent agents of the State Political Security Department and the Public Security Ministry to China to arrest this North Korean Army general in the Yanbian area.

This source also said: The defector is a major general, chief of a special operations unit under the Ministry of People's Armed Forces, and a son of O Chin-u. No other additional information has been given. Because of his defection, relations between Kim Chong- il and O Chin-u have become estranged and awkward.

Name of Son Not Known

SK1010095194 Seoul YONHAP in English 0944 GMT 10 Oct 94

[FBIS Transcribed Text] Beijing, Oct. 10 (YONHAP)—A son of North Korean People's Armed Forces Minister O Chin-u fled to China last month in disgust of the Kim family's hereditary power succession and dictatorship, a Chinese source well versed in North Korean affairs said Monday.

Both China and North Korea are keeping the incident top secret, and North Korea sent a special search party to Yanbin area of Jilin Province to arrest the runaway.

O Chin-u is second in North Korea's power hierarchy, only next to Kim Chong-il.

The fugitive is a North Korean Army major general who commanded a special force unit of the People's Armed Forces Ministry before his runaway, the source said.

But his name and where he stands among many sons of O Chin-u are not known.

The source, noting O has many sons by his wife and concubines, said the incident strained O's relations with Kim Chong-il.

DPRK Minister To Tour Asia; Seek Support

SK0910080894 Seoul YONHAP in English 0754 GMT 9 Oct 94

[FBIS Transcribed Text] Seoul, Oct.9 (YONHAP)—North Korean Foreign Minister Kim Yong-nam will make an official tour of Thailand, Singapore, Malaysia and Indonesia from Oct.18 to 29 in a bid to seek support for Pyongyang's stance in the international row over its nuclear program and enhance economic ties with the Southeast Asian countries, said a government source Sunday.

It is the first time for Kim Yong-nam, emerging as one of the most influential men in the Pyongyang regime, to visit foreign countries officially after Kim Il-song's death, said the source.

North Korea had unofficial contacts with Australian officials eight times at the ambassadorial level in Bangkok since last fall, said the source.

Counselor-level officials of North Korea and Canada met in Beijing last August while Pyongyang proposed to immediately exchange diplomatic missions when Pyongyang officials contacted South African officials last month, said the source.

North Korea is expected to strengthen its diplomatic activities to obtain recognition of its regime and economic cooperation from Western countries while putting a priority on improving relations with the United States and Japan, said the source.

Government 'Deeply Regrets' PRC Nuclear Test

SK0710130494 Seoul YONHAP in English 1253 GMT 7 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 7 (YONHAP)—The South Korean Government deeply regrets that China conducted another nuclear test recently, a Foreign Ministry official said Friday.

"Our government deeply regrets that China again conducted a nuclear test recently in a circumstance in which major nuclear countries refrain from staging nuclear tests and in which negotiations have been going on actively for the conclusion of a treaty on the prohibition of nuclear tests," the official said.

In a comment on China's nuclear test, the official went on to say that the South Korean Government urges that all world nuclear countries refrain from staging nuclear tests in favor of the early resolution of a comprehensive nuclear test prohibition treaty and show a good example in the efforts to attain nuclear nonproliferation and nuclear disarmament.

Nuclear Energy Pact Planned With PRC

SK1110005094 Seoul YONHAP in English 0045 GMT 11 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 11 (YONHAP)—South Korea and China will seek a pact on nuclear energy cooperation during Chinese Prime Minister Li Peng's visit to Seoul at the end of this month, a government official here said Tuesday.

While enabling the two nations to cooperate in the field of nuclear technology and facilities, the accord is expected to open the way for Seoul to export technology involving light-water reactors to Beijing.

Designed to pursue peaceful uses of atomic energy, the comprehensive agreement will include cooperation in the fields of nuclear technology, facilities and research, and exchanges of scientists and technicians.

"South Korea and China are actively driving to make an agreement on atomic energy cooperation during Li's visit and, for now, we have already handed our draft agreement to China," the official revealed.

He stessed that relations bewteen Seoul and Beijing would be raised to a higher status if the accord was concluded.

Armed Forces To Purchase 'Ultramodern' Weapons

SK1110100694 Seoul CHUNGANG ILBO in Korean 11 Oct 94 p 29

[Report by Cho Yong-hyon: "(Walter Ekerund,) Vice President of U.S. Hughes Company"; from the "Interview" column]

[FBIS Translated Text] In an exclusive interview with this newspaper, (Walter Ekerund), vice president of a U.S. defense industry electronic company, who came to Seoul to attend an "international symposium and exhibition on space aviation" held at the Korea Exposition Hall in Seoul, under the auspices of the ROK Air Force, said: "AMRAAM [advanced medium-range air-to-air missile] missiles, medium- range air-to-air missiles developed by Hughes Company for F-16 fighters, will be delivered to ROK Air Force within next year." Thus, he explained the weapons system to be supplied to the ROK Air Force.

Noting that the price of each piece of these missiles amounts to $400,000 to $500,000, he said that the missiles are an ultramodern system retained by the U.S. Air Force and U.S. Navy, and that his company received the first order from the ROK in 1993, and they will be delivered to the ROK early next year.

He also revealed that the "'AN/TOQ-36' system, a high-precision anti- artillery launching pad radar system, which is also called an 'artillery detector,' will be delivered within this year."

This system automatically detects the location of the enemy's mortar and rocket launching pads, and directs friendly army's counter-firing at the enemy's first shell before it reaches the ground, thus neutralizing the offensive camp.

Vice President (Ekerun) added that the U.S. Government approved the sales of "Tow-II" missiles, which enable Cobra helicopters to carry out nighttime operation, to the ROK, and all that is needed at present is the ROK and U.S. Governments' signature."

He said that "the sale to the ROK of "Stand" missiles, which are included in KDX II program—the arms reinforcement project of the ROK Navy—has also been recently approved by the U.S. Government."

He pointed out that he is contacting the ROK Government for the supply to the ROK Armed Forces of F-16 simulators (mock pilot training equipment), which costs $3 million per unit, and TPQ-37 radar, which has more than two times the detection distance of TPQ-36.

Mr. (Ekerun) said that "the ROK Armed Forces will likely replace their old equipment with the ultramodern type. Therefore, the ROK is a major market for the Hughes Company." He added that "Hughes will make efforts to promote ROK defense industries' technology in addition to exporting simple weapons."

'Emergency Measures' for Kuwait, Jordan Missions

SK1010021894 Seoul YONHAP in English 0211 GMT 10 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 10 (YONHAP)—The Foreign Ministry has instructed the embassies in Kuwait and Jordan to work out emergency measures aimed at protecting Korean residents there from possible conflict in the region.

A ministry official, noting the mounting tension in the Middle East following Iraq's military advance toward the Kuwait border and countersteps taken by the west, said Monday [10 October] that an urgent directive had been issued to the two overseas missions on protecting Korean nationals.

There are 254 South Koreans in Kuwait and 22 in Jordan, most of them employees of Korean firms.

Seoul To Host 'No Nukes Asia Forum' 15-21 Oct

SK1010082094 Seoul YONHAP in English 0807 GMT 10 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 10 (YONHAP)—Civilian organizations from eight countries gather in South Korea from Oct. 15-21 for the "No nukes Asia forum" advocating a continent without nuclear weapons and atomic power plants.

The international conference is a follow-up to the first such gathering in Japan in June last year. Organizers said it will be held every year, hosted in rotation by each participating nation.

Over 40 people from Japan, Taiwan, the Philippines, Indonesia, Malaysia, Thailand and Hong Kong are expected at the conference for a week of discussions on each country's anti-nuclear campaign, progress and future tasks.

They will tour nuclear power plants such as the Ulchin and Yongkwang units in South Korea as well as sites designated for nuclear waste burial for rallies and discussions, the organizers said.

South Korean participants have formed a special committee for the forum comprised of more than 30 environmental, religious and anti- nuclear groups to attend the conference.

The international meeting opens on Oct. 15 at Myongdong Cathedral, where a general conference will be held on making Asia a nuclear-free zone, implementing peace and disarmament, and finding non-nuclear energy alternatives.

Sectoral discussions are divided into three categories—nuclear technology and religion, compensation for atomic bomb victims and a nuclear-free 21st century.

The participants will tour power plants and waste burial sites from Oct. 16-21 and stage rallies and open talks with residents there.

Government Deregulates Foreign Exchange System

SK1110024294 Seoul THE KOREA TIMES in English 11 Oct 94 p 9

[FBIS Transcribed Text] Koreans will be able to use dollars, yen, mark and other foreign currencies in domestic transactions from next year in a symbolic gesture by the government promoting a cautious and step-by-step deregulation of the nation's rigid and outdated foreign exchange and capital control system.

A Ministry of Finance official said both Koreans and foreigners will be able to give and take foreign currencies in their transactions of merchandises and services.

In the initial stage, the domestic use of foreign currencies will be limited to 10,000 dollars per transaction and later the limit will be either raised or abolished, he said.

The program is contained in the nation's five-year foreign exchange system reform plan, which the government plans to unveil by the end of this year.

The deregulation measure will result in active use of foreign currency at major tourist spots such as the Itaewon Shopping Center.

But department stores and other sales outlets will shun accepting foreign currency because they will have difficulty in setting foreign exchange rates and documenting tax receipts, analysts said.

From next year, the government plans to suspend the "foreign exchange concentration system" under which private holdings of foreign currency were tightly regulated.

Under the current rule, no Korean can hold more than 5,000 dollars and the use of foreign currency is strictly banned.

Despite the tight regulation, the government has seldom cracked down on the usage of foreign currency here.

Burma

'Source': More Aung San Suu Kyi Talks Planned

BK0910093194 Bangkok THE SUNDAY POST in English 9 Oct 94 p 4

[Report by Saritdet Marukhathat]

[FBIS Transcribed Excerpt] [passage omitted] A well-placed source said State Law and Order Restoration Council [SLORC] Secretary Khin Nyunt, believed to be the junta's key man, will hold another meeting with opposition leader Aung San Suu Kyi in Rangoon.

The schedule of the talks has not been set but it will discuss in detail the attempts by the government to bring about national reconciliation, the source said.

It will be a follow-up to the dialogue between Gen Than Shwe, chairman of SLORC, Lt-Gen Khin Nyunt, and Aung San Suu Kyi last month in Rangoon .

The first meeting centered on attempts by the Rangoon government to resolve social and political problems in the country, the source added.

Asked to comment on the future talks between the junta and the Nobel Peace Prize winner, Sqn Ldr Prasong said it was a good thing and he would like to see more talks as it would narrow the gap and eliminate mistrust between the two sides.

Rebel Group Returns to 'Legal Fold'

BK1110090094 Rangoon Radio Myanmar in Burmese 1330 GMT 9 Oct 94

[FBIS Translated Excerpt] Lieutenant General Khin Nyunt, chairman of the Work Committee for Development of Border Areas and National Races and secretary-1 of the State Law and Order Restoration Council [SLORC]; ministers; deputy ministers; and department officials—accompanied by commander Major General Saw Tun—left Taunggyi this morning and arrived at Hsi Hseng at 0830. At 0900, the Shan State Nationalities Liberation Organization [SSNLO] held a ceremony at Hsi Hseng Township Hall to give up its armed struggle and return to the legal fold. The ceremony was attended by Lt. Gen. Khin Nyunt; ministers; Brigadier General Aung Htwe, commander of the No. 55 Light Infantry Division; Lieutenant Colonel Pe Nyien, director general of the SLORC office; department officials; members of the township, district, and township law and order restoration councils; department personnel; U Sein Win, president of the Foreign Correspondents Club of Myanmar [Burma]; U Hla Htwe, secretary of the club; members of the Union Solidarity and Development Association; U Tha Kalei, chairman of the SSNLO; SSNLO members; and local residents.

According to the agenda, Maj. Gen. Saw Tun, chairman of the ceremony, chairman of the Shan State Law and Order Restoration Council, and commander of the Eastern Military Command, delivered a speech. He said: Today is an auspicious day because the SSNLO has given up its armed struggle and returned to the legal fold to participate in and implement the regional development programs by joining hands with the state government. With the aim of allowing all national brethren to cooperate and work together to make Myanmar a tranquil, peaceful, modern, and developed nation, the state government, with genuine goodwill, is inviting armed groups in the jungle to return to the legal fold. Presently, 13 armed groups, including the SSNLO, have returned to the peaceful political framework after realizing the goodwill of the state government. The state government, with genuine comity, is waiting patiently for the return of the remaining armed groups in the jungle. Not only the people in Shan State, but also other national races who will hear about this ceremony will be happy and proud and will welcome the SSNLO's commitment to join hands with the state government to implement the regional development programs in accordance with the state government's border areas development project and its commitment to return to the legal fold. The state government and the public believe that the whole union will become peaceful and developed if the remaining armed groups in the jungle work with mutual understanding, just as the SSNLO did. The state government and the public expect and yearn for this to happen. In conclusion, Maj. Gen. Saw Tun said: In order to implement the regional development programs with increased momentum, the SSNLO must work and implement the programs honestly, dutifully, and loyally with the state government as well as with all local residents so that the locals realize the results—rapid development of the region where the spectrum of peace is shining in all directions; the prevalence of peace and tranquility in the region; and mental and physical peace—in a short period.

After the speech, U Tha Kalei, chairman of the SSNLO, presented to commander Maj. Gen. Saw Tun a list of those who returned to the legal fold to implement regional development programs by joining hands with the state government.

Continuing, U Tha Kalei then gave a speech. He said: Today the SLORC and SSNLO have agreed and ratified to work together for regional peace and for Pa-o regional development programs. [passage omitted] The SSNLO sincerely anticipates that the remaining armed groups in the jungle will resolve problems with the SLORC as soon as possible through negotiations. The SSNLO will not secede from the union and will certainly oppose every secession move. At the same time, the SSNLO will work for the unity of Pa-o nationals in Myanmar. That is why the SSNLO's objectives and views are compatible with the SLORC's three national objectives—nondisintegration of the union, nondisintegration of national solidarity, and perpetuation of national sovereignty. [passage omitted]

Khin Nyunt Receives Kokang Leader, Party

BK1010152394 Rangoon Radio Myanmar in Burmese 1330 GMT 10 Oct 94

[FBIS Translated Text] Lieutenant General Khin Nyunt, chairman of the Work Committee for Development of Border Areas and National Races and secretary-1 of the State Law and Order Restoration Council, received U Yan Moe Lian, a Kokang national leader from Special Region-1 in Northern Shan State, and his party at the Defense Services's Guest House on Garden Road in Yangon [Rangoon] at 1700 today. They held discussions and coordinated on the regional development programs.

Meeting Discusses Indonesian Investment Plans

BK0710132294 Rangoon TV Myanmar Network in Burmese 1330 GMT 6 Oct 94

[FBIS Translated Excerpt] Meeting No. 1/94 of Myanmar [Burma]-Indonesia Trade and Investment Promotion Implementation Committee [MITIPIC] began at 1440 today in the conference hall of the Office of the Deputy Prime Minister in the Cabinet Building.

The meeting was attended by Vice Admiral Maung Maung Khin and Lieutenant General Tin Tun, deputy prime ministers; Lt. Gen. Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC]; ministers; and senior departmental authorities.

Maung Maung Khin said Myanmar and Indonesia have had economic relations for over 50 years, but only at the trading level. He recalled the goodwill visit to Indonesia by a Myanmar delegation led by Khin Nyunt in December 1993 and a similar visit to Myanmar by a Indonesian delegation. The latter group was led by the coordinating minister of industrial and trade affairs and held talks on Myanmar- Indonesian trade and investment projects. He said Indonesian House [two preceding words in English] was formed during the trip under the auspices of the Indonesian Government, with MITIPIC formed consequently with the SLORC secretary-1 as its chairman.

He said Indonesian House has now proposed accelerating trade and investment ties between the two countries and it will be necessary for departmental authorities concerned to give assistance.

Tin Tun spoke next, recalling the long history of friendship between Myanmar and Indonesia. [passage omitted]

Khin Nyunt said the meeting is to discuss expansion of bilateral trade and investment projects based on existing Myanmar-Indonesian friendship. [passage omitted] He said Indonesian House has proposed eight projects to increase trade and investment. He called on the authorities concerned to coordinate their work in carrying out mutually beneficial projects on a long-term basis and to implement the projects successfully. [passage omitted]

The ministers and officials discussed the projects proposed by Indonesian House for setting up a communications project, a processing plant for forest products, a privately-owned broadcasting station, a factory for producing foodstuffs, a factory for household goods, a cigarette factory, a factory for textiles and garments, and the operation of Sempati Air flights. The deputy prime ministers and the secretary-1 then discussed the matters. The meeting ended at 1545 after a closing remark by Maung Maung Khin.

Trade Delegation Leaves for U.S. Meeting

BK1010152094 Rangoon Radio Myanmar in Burmese 1330 GMT 10 Oct 94

[FBIS Translated Text] A Myanmar [Burmese] delegation led by Lieutenant General Tun Kyi, member of the State Law and Order Restoration Council and minister of trade, left Yangon Airport at 1400 today to attend the UN-sponsored trade minister-level international meeting on the facilitation of world trade to be held in Columbus, Ohio State from 17 to 21 October.

Brunei, Malaysia & Singapore

Malaysia

Foreign Minister Rejects U.S. 'Excuses' on Iraq

BK1110135794 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 11 Oct 94

[FBIS Transcribed Text] Foreign Minister Datuk Abdullah Ahmad Badawi said Malaysia will not accept any excuses by the United States and its allies to attack Iraq based on reports that Baghdad was deploying its troops at the Iraq-Kuwaiti border, allegedly to invade Kuwait. The U.S. and its allies cannot (?certainly) punish Iraqi President Saddam Husayn by invading Iraq.

Speaking to reporters in Kuala Lumpur, Datuk Abdullah said the Western nations should apply diplomacy to reduce tension in the Gulf. He said Malaysia at the same time would not condone Iraqi invasion of Kuwait, although Kuala Lumpur has ties and cooperation with Iraq in various fields. Kuwait is an independent state and a member country of the United Nations and Iraq should respect its sovereignty.

The foreign minister also said that Malaysia would not at this time be directly involved in the Gulf issue.

Commentary Calls Iraq Sanctions 'Unjust'

BK1010141694 Kuala Lumpur Voice of Malaysia in English 0810 GMT 10 Oct 94

[Station commentary]

[FBIS Transcribed Text] Iraq will be courting disaster if it attempted hostilities towards Kuwait. Few people expect President Saddam Husayn to repeat his 1990 invasion of Kuwait. However, his dramatic display of military threats must be seen as a desperate attempt to campaign for the lifting of the United Nations sanctions. Of course, Iraq could be making a serious error of judgment if it thinks its threatening behavior will achieve anything. Obviously, Saddam is taking a suicidal risk with the future of his people by sending troops towards the Kuwaiti border.

Unlike 1990 the situation is different now. Kuwait is fortified with security pacts with its allies. But Iraq is almost isolated on all levels. But like in the Gulf war, there was immense suffering, both in Iraq and Kuwait. This being the case, aggression must be deterred, and everybody must cooperate. The United States could be justified for taking precautionary steps. But there is the danger that Iraq's military posturing could be used as an excuse to prolong the sanctions or even impose new ones.

The threat of force that somehow leveraged some concessions from the Security Council would be counterproductive. But before condemning Iraq, the international community must consider the possible reasons for Saddam's apparent hostilities. Disappointment over the continuing economic sanctions against Iraq is surely a major factor. The sanctions are taking their toll, and nobody seems to care. The Iraqis are feeling the pinch of the adverse effects of the unjust sanctions and they are desperate.

Under the oil embargo, Iraq was stopped from exporting oil. This led to its economic hardship. The country badly needs revenue at least to buy food and medicine for its long-suffering people. It has cooperated substantially with UN weapons inspections team. Still, nothing is forthcoming in terms of relaxing at least part of the sanctions. In fact, some of the more powerful nations are blocking the consequences of Iraq's implementation of the Security Council's resolutions. Even some of the Security Council members have been sympathetic on the progress by Iraq towards resolutions. The chairman of the UN weapons inspections team monitoring Iraq even admitted that Iraq had complied with the relevant resolutions which imposed the embargo in the first place.

It appears that the UN is seeking to implement a different agenda from the one that it had in 1991. It is also not taking responsibility for the mounting deaths. More than a million people have died since the Gulf war due to malnutrition and disease. The UN even disclaims reports that directly links the rising death toll to sanctions. Also, oil politics by the then UN resolutions lie behind the unyielding sanctions policy. The price of oil is low. If Iraq were added to world supplies, the price would drop further. Several major oil companies, therefore, have an interest in keeping Iraq out of the picture. This may count out more than the military threat of Saddam Husayn in defining Washington's continuing hard stand against Baghdad. Iraq has to a large extent complied with UN resolutions. It is only right that the world body reciprocates by lifting the sanctions. Otherwise, it is equally responsible for driving Iraq to desperation.

Deputy Premier Reviews Talks With Gore

BK0810092994 Kuala Lumpur Voice of Malaysia in English 0600 GMT 8 Oct 94

[FBIS Transcribed Text] There is an earnest desire on the part of the United States to improve and upgrade relations with Malaysia. In this respect, both countries are to strengthen more mutual respect and understanding on specific issues, policies, and directions. Deputy Prime Minister Datuk Sri Anwar Ibrahim said this to Malaysian newsmen after meeting with Vice President Al Gore in Washington.

According to Datuk Sri Anwar, they also talked on the East Asia Economic Caucus [EAEC]. He said that it was not a matter of whether the U.S. agreed or disagreed. It is a question of having a clear idea of the EAEC, which is not a trading bloc, and not forming one's own conclusion.

On their understanding the EAEC, the deputy prime minister felt that the U.S. does not devote enough time to (?forming) thoughts and ideas of EAEC.

During the meeting, Vice President Al Gore expressed his intention to visit Malaysia to strengthen bilateral relations. He also spoke on environment.

In response to the escalation of the forest fires in Kalimantan, which have continued to cause a haze in Southeast Asia, the U.S. assured that it would study the matter and think of ways to assist ASEAN countries affected by the haze.

The deputy prime minister also met with 11 U.S. congressmen. During the discussions with the senators, he brought up the issue of Bosnia, in which Malaysia was not happy with the attitude of the U.S. Administration. He explained to them that it was inappropriate that injustice was allowed while at the same time they talked of democracy and human rights. However, they are not prepared to take immediate action when they should.

Commentary Backs Changes in UN Security Council

BK0710135294 Kuala Lumpur Voice of Malaysia in English 0800 GMT 7 Oct 94

[Station commentary]

[FBIS Transcribed Text] While the importance of the United Nations has grown since the end of the Cold War, some of its lack of action are now questionable. As war rages on in many countries, the urgent need for UN intervention is often hampered by the feebleness of action on the part of the Security Council. It is clear now that from the biased manner in which it operates, the council is a tool for the great powers.

The much-trumpeted new world order seems to be more of a world of disorder. It is characterized by wars, famine, genocide, hunger, human displacement, and social and political disintegration. Chaos, as evidenced by the situations in Bosnia-Herzegovina, Afghanistan, Yemen, and Rwanda, has become the order of the day. In fact, the Bosnia tragedy is a reflection of the United Nations in total paralysis.

The world body's handling of issues has been, to say the least, most disappointing. In the last three years, the record of the UN has been dismal. There were some 82 conflicts, 79 of which were intra-state, while most of the casualties amounting to millions of people, comprised civilians. Worse still, the council continues to deny the inherent right of the victims of aggression for self-defense, under Article 51 of the UN Charter.

The council must use the special power it has to display impartiality, and not be dictated by certain powers. The U.S. has come to prove itself to be a product of a bygone era. Its half-hearted approach and procrastination, clearly demonstrates the council's selectivity and double standards. Some influential members are weighing the political, financial, and manpower costs before getting involved in any crisis. There is, thus, an urgent need for the UN to undergo a process of structural reforms. Only this will put it in good step, reflecting the new power configuration in the contemporary world.

Therefore, the UN Security Council must be reformed and restructured. It must not be based on narrow strategic or economic interests. The veto power of the permanent members is obsolete and the time has come for it to end.

Since it was set up in 1945, a total of 280 vetoes were exercised. Such a substantial number of vetoes had certainly tarnished the veto mechanism. It is an unhealthy trend where only one or groups of powers increasingly appear to be taking control of decision-making. Threats by the permanent members—the United States, Russia, Britain, China, and France—to exercise veto did certainly reduce the need to maintain consensus in the council. If allowed to continue, the UN's multilateral approaches towards resolving conflicts and crises, will lose the support of the international community.

As the UN celebrates its 50th anniversary next year, it is clear that the world body is due for a revamp. There must equitable representation from the world's regions. What the countries want is a security council that is made more transparent and more effective. They want to see a UN which is certain, decisive, and has authority. What they do not want is a weak and feeble UN, as it is today.

Mahathir Launches Rapid Deployment Force

BK1010090694 Kuala Lumpur Voice of Malaysia in English 0800 GMT 10 Oct 94

[FBIS Transcribed Text] Malaysia will work towards strengthening its armed forces but is committed to solving disputes through negotiations and diplomacy. Prime Minister Datuk Sri Dr. Mahathir Mohamed said a strong and capable armed forces, with a high degree of professionalism, will be respected and act as deterrent. Towards this end the armed forces should have quality leadership, modern weapons, high quality logistics and training. He said this when launching the armed forces Rapid Deployment Force in Langkawi.

Datuk Sri Dr. Mahathir said the armed forces cannot be negligent in defending national interests. Malaysia's prosperity and well- being would have to be safeguarded. The prime minister said to realize Vision 2020 of making Malaysia a fully developed country, there would have to be peace and stability both within the country and outside. He said a strong country in all aspects, including defense, would ensure its continued well-being, freedom, independence, and prosperity.

Largest Naval, Air Exercise Ever Held

BK1010052494 Kuala Lumpur NEW STRAITS TIMES in English 7 Oct 94 p 11

[FBIS Transcribed Text] LANGKAWI, Thurs.—Armed Forces chief Jen [General] Tan Sri Borhan Ahmad said the on-going exercise involving the Rapid Deployment Force [RDF] and the support elements from the Royal Malaysian Navy and Royal Malaysian Air Force [RMAF] was an opportunity to improvise, and to synchronise the tactical operating procedures of the three services.

He said although this was the military's biggest exercise involving 4,000 officers and other ranks from the army, navy, and air force, 34 aircraft, and four warships this was merely an extension of the annual tri-service [exercise].

"Last year, we had a similar exercise in Mersing, Johor, involving all the three services," he told newsmen at Bukit Seraya after witnessing the second fulldress rehearsal of a combined tri- service exercise codenamed "Eksesais Halilintar," [Exercise Lightning] in conjunction with the launch of the RDF [rapid deployment force] on Monday.

Prime Minister Datuk Seri Dr Mahathir Mohamad will officially launch the RDF on Monday and present the maroon berets to the 2,000-strong force.

The bulk of the RDF members are from the 10 Brigade Para which was set up about two years ago under the defunct 11th Army Strategic Infantry Division.

The exercise is to allow the three infantry battalions which form the 10 Brigade Para to recapture three strategic locations on the island which had been occupied by an imaginary enemy force.

The RMAF is providing aircraft to carry out combat air patrol, troop airlift, and helicopter airborne operations while the navy is providing warships to assist in the seaborne assault near the airport by army commandos.

Asked if there was any significance in choosing Langkawi as a venue of the exercise which is his brainchild, Borhan said that this was not the first time the armed forces had chosen an island as a venue for combined military manoeuvres involving the army, navy, and air force.

"We had organised one such exercise in Pulau Tioman."

He said Langkawi was chosen because of its suitability to the scenario which had been selected for the exercise.

Borhan who was briefed on the outcome of the first full-dress rehearsal of the exercise on Tuesday was generally happy with the outcome of today's demonstration.

"What we need is better synchronisation of our team efforts," he said, without elaborating.

He also did not want to be drawn into a discussion on what were the shortfalls in equipment as had been demonstrated in the two demonstrations.

"We know from this exercise what it takes to deploy a brigade strength team, and we have also plans to buy what we need for the RDF."

Among those present were Royal Malaysian Air Force chief Lt Jen [Lieutenant General] Datuk Seri Abdul Ghani Aziz; RMAF assistant chief of staff (operations), Mej Jen [Major General] Gophal Ramdass; exercise director Mej Jen Datuk Jailani Asmawi who is also the Armed Forces Headquarters assistant chief of staff (training and operations); and other senior military officers.

Abdul Ghani said he was not totally satisfied with the performance of the RMAF personnel in the exercise after evaluating the demonstration today.

"We need to achieve perfection in the execution of our plans. If an aircraft has to make a drop, and a marking zone has been identified for that purpose, it should land at the exact spot, and nowhere else."

He said he had looked at the various aspects of the tactical air operations, and felt there was room for improvement.

"I am a perfectionist, so achieving high levels of performance is not enough for me," he said.

Meanwhile, the two-hour exercise went without a hitch as several waves of aircraft streaked through the skies above Langkawi in simulated air defence, and closed ground support attack roles.

The army commandos were also air-dropped as the Special Infiltration Group behind "enemy lines" unlike Tuesday when they aborted the mission.

The boys from the IO Brigade Para also put up a good show in their assault of a hill located opposite the airport runway.

The military VIP, the Press, and some staff of the local authorities who witnessed the assault on top of Bukit Seraya overlooking the airport were treated to loud bursts of simulated machine gun and the standard infantry assault rifle fire, and multicoloured smoke canisters.

An hour after the launch of the operation the first company of the 10 Brigade Para had overtaken the enemy-occupied hill to be followed by reinforcements.

Earlier, a battery of artillery guns from the nearby Kampung Jaya Mempelam pounded the hill to soften resistance, and weaken the defences.

South African Trade Minister Arrives for Talks

BK1110111994 Kuala Lumpur Voice of Malaysia in English 0600 GMT 11 Oct 94

[FBIS Transcribed Text] South Africa is keen to learn the method used by Malaysia to trim down its inflation rate. Its Trade and Industry Minister Trevor Manuel said this to newsmen on his arrival in Kuala Lumpur for a two-day visit. He added that South Africa is eager to enhance trade with Malaysia, which he describes as a good training center for various industries. He will hold discussions with his counterpart Datuk Sri Rafidah Aziz on trade matters as a follow-up to their meeting in South Africa last April.

Cambodia

King Plans for Cremation, Funeral Services

BK1010113094 Hong Kong AFP in English 1111 GMT 10 Oct 94

[FBIS Transcribed Text] Phnom Penh, Oct 10 (AFP)—Cambodia's King Norodom Sihanouk has called on his wife, Queen Monique, and other "qualified" people to ensure that his body is promptly cremated after death to avoid "rapid decomposition.

"Whatever place I am found at the moment of my death, my body must be incinerated in the following few hours (that is to say in less than 12 hours), and this must be done in a private garden near the residence where I am found," the king said in a statement seen Monday by AFP.

The 72-year-old constitutional monarch is staying at his residence in Beijing following extensive treatment for cancer.

The king's son and co-premier Prince Norodom Ranariddh recently said his father was in good health.

In his statement, King Sihanouk said that only his wife and several people who are "very close" and "very loyal" to him should attend the cremation ceremony.

"One should not delay the hour of my cremation because of having to await the arrival of this or that dignatory," he said.

The king said his body should be laid out on a small and simple bed covered with fresh flowers while the funeral pyre should consist solely of pieces of natural wood and "if possible, some sandalwood."

The monarch said his ashes should be placed in an urn hewn from the marble found in western Pursat province and that his final resting place should be in the Silver Pagoda in the grounds of the Royal Palace.

The king also requested that four specific Buddhist monks have their passports ready to travel at a moment's notice to either Beijing or Pyongyang in the event of him passing away at either of his residences in those cities.

King Sihanouk also asked the government not to invite foreign heads of state or government leaders to any mourning ceremonies in Cambodia as "our country is very poor and not equipped to receive more than one very important foreign dignatory at a time."

Sources: Ranariddh Not To Expel Vietnamese

OW1010091494 Tokyo KYODO in English 0839 GMT 10 Oct 94

[FBIS Transcribed Excerpt] Phnom Penh, Oct. 10 KYODO—The Cambodian Government has told UN Secretary General Butrus Butrus- Ghali that it will not carry out mass expulsions of ethnic Vietnamese in Cambodia under an immigration law passed in August, informed sources said Monday [10 October].

Cambodian First Prime Minister Prince Norodom Ranariddh gave the assurance to Butrus-Ghali in a letter dated Sept. 19, the sources said.

In the letter, Ranariddh said the provisions of the new law would be carried out after consultations with concerned countries notably Vietnam.

The Cambodian Parliament passed the law Aug. 26 in principle banning non-Cambodians from residing in the country.

The Vietnamese Government and human rights organizations have said they fear the law could be used to expel tens of thousands of Vietnamese settlers in the country.

The official Voice of Vietnam said in an English-language radio broadcast Oct. 5, "the Cambodian immigration law violates international law and the rights of foreign residents to live and work in other countries."

In a letter to Cambodian head of state King Norodom Sihanouk dated Sept. 13, Butrus-Ghali urged Cambodia to hold talks on the issue with Vietnam. [passage omitted]

PGNUNS Warns U.S. on 'Stupid Policy'

BK1110075194 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Oct 94

["Communique" of the Secretariat of the Provisional Government of National Union and National Salvation cabinet issued on 10 October; place not given—read by announcer]

[FBIS Translated Text] The cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its weekly working session on Monday, 10 October, under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the National Army, and with the participation of all its members.

The cabinet examined the overall situation of our Cambodian nation and people's national salvation struggle in all aspects with a high sense of responsibility.

1. The cabinet clearly observed that our Cambodian nation, people, and race are facing an immense danger from the 4 million ethnic Vietnamese. In a premeditated and systematic manner, these 4 million ethnic Vietnamese are swallowing Cambodia in all sectors and fields. According to reports by people in many localities, the ethnic Vietnamese are establishing purely communist Vietnamese areas. They are also establishing purely Vietnamese military and civilian administrations, both overt and secret, to control these areas. These administrations are directly led by the communist Vietnamese committee in Phnom Penh through its networks. They are implementing the political guidelines of the Communist Party of Vietnam and conducting concrete actions in all forms to strengthen and expand their areas and to create new ones. To date, communist Vietnamese areas have been set up along Cambodia's eastern border from Ratanakiri Province to Kampot Province, including 30 to 40 km deep into Cambodian territory, and in the Tonle Sap region and other lake and riverside areas, as well as around and inside Phnom Penh itself. Moreover, the villainous alliance in collusion with communist Vietnam is using all means to put an approving stamp on allowing the 4 million ethnic Vietnamese to remain in Cambodia forever. In fact, it is giving communist Vietnam carte blanche to commit genocide against Cambodia. The entire Cambodian nation and people, both at home and abroad, are well aware of this dangerous situation. Together with the PGNUNS, they demand that this issue of 4 million ethnic Vietnamese be settled in all aspects immediately and correctly to save the nation and people.

On this issue, the cabinet further instructed the provincial, district, commune, and village committees as well as the National Army of Democratic Kampuchea to continue close unity with the people and jointly implement the guerrilla and people's war tactics in order to prevent the 4 million ethnic Vietnamese from expanding their areas and further grabbing and controlling our land, paddies, orchards, rivers, and lakes, while jointly fighting to gradually disperse and dissolve these ethnic Vietnamese areas in order to liberate our land and also in order to save the nation from being swallowed by communist Vietnam.

2. The cabinet clearly realized that the United States has set up its military command to collude with communist Vietnam in continuing to fuel the war of genocide against Cambodia. It is sending military aid to the traitorous two-headed government, aid which in reality is destined for communist Vietnam's forces and its puppets that have been waging a war of genocide against Cambodia for the past 15 years and longer. And the United States has sent and is sending military personnel to directly collaborate in the war of aggression. This constitutes an act of ferocious and savage aggression against Cambodia committed for the second time by the U.S. in just 20 years. The actions by the United States in continuing to fuel the war and providing communist Vietnam carte blanche to destroy the Cambodian race is a serious crime. This act of aggression not only destroys peace in Cambodia and threatens security and stability in the region, but also constitutes a war to destroy and wipe out a race, to destroy and wipe out a nation. It is a serious crime against humanity. For it, the United States must bear full and total responsibility before the Cambodian nation, people, and history.

When it committed aggression against Cambodia for the first time at the beginning of the 1970's, the U.S. used many lethal weapons, including chemicals, to massacre the Cambodian people in a ferocious and savage manner. Craters from B-52 bombs dropped on Cambodia for 200 days and 200 nights have not yet been filled, and the U.S. is now back to collude with communist Vietnam to kill Cambodians and destroy the country once again.

The PGNUNS and the entire Cambodian nation and people do not want any problems with the United States. Our tenacious, painstaking struggle all along has been for the purpose of saving our nation and preventing communist Vietnam from exterminating the Cambodian race. If the U.S. stops colluding with communist Vietnam in continuing to fuel the war against Cambodia and leaves the Cambodian people alone to achieve national reconciliation and national concord, the Cambodian nation and people will put an end to our bitter past and blood debts. The PGNUNS and the entire Cambodian nation and people want to quickly end communist Vietnam's war of aggression. We want only national reconciliation and peace. What we want is to merely build an independent Cambodia within the framework of liberal democracy, both politically and economically and with the participation of forces from all political affiliations, and organize and run the country so that it has peace, law, and order as in all other countries. This is the profound aspiration of the entire Cambodian nation and people. It is also the sacred political objective of the PGNUNS and it is the only way to guarantee Cambodia's survival.

However, if the United States still stubbornly continues its stupid warlike policy of colluding with communist Vietnam to massacre the victimized Cambodian people and destroy the Cambodian race, the PGNUNS and the entire Cambodian nation and people have no other option but to unite in waging all forms of struggle for national salvation. Past experience clearly shows that the Cambodian nation and people are able to wage a national salvation struggle. In the future, the PGNUNS and the entire Cambodian nation and people will also be able to wage a national salvation struggle.

10 October 1994
[Signed] The Secretariat of the PGNUNS cabinet

Khmer Rouge: Peace Corps Controlled by CIA

BK0810154694 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 8 Oct 94

[Unattributed commentary: "What Is the True Nature of the U.S. Peace Corps Which the U.S. Administration Will Dispatch to Cambodia?"]

[FBIS Translated Text] The U.S. Administration called Sirivut, representative of the two-headed government, to Washington to sign an agreement on the dispatch of the U.S. Peace Corps to Cambodia, claiming that it will be made up of teachers.

What is the true nature of the U.S. Peace Corps? We should know its true nature so that we can have a clear vision and realization of what the Clinton Administration wants in Cambodia. Does it want Cambodia to have peace and national union or does it want to continue fueling the communist Vietnamese war of aggression in Cambodia? Is the United States coming to wage a second war of aggression in Cambodia?

Here is the view of people the world over concerning the history and nature of the U.S. Peace Corps:

1. The U.S. Peace Corps was set up in 1960 at a time when the Soviet Warsaw Pact and the U.S. NATO bloc was locked in an acute conflict over world hegemony.

2. The 1960's was a period when the U.S. imperialists staged military coups to topple nationalist governments and neutral countries everywhere in the world: in Southeast Asia and Asia, Africa, the Middle East, and Latin America. The U.S.' subversive CIA and the Soviet KGB were constantly confronting each other. These two subversive spy organizations stank like corpses. People in

the world loathed and detested them because they killed countless neutral and independent countries in the 1960's and the 1970's.

It was in such a situation that the United States set up the Peace Corps to fight for supremacy over the Soviets in Third World countries. The Peace Corps is under the direct control of the CIA and the intelligence and subversion department of the U.S. State Department and Defense Department.

3. The U.S. Peace Corps infiltrates everywhere in the world, particularly in areas where there is acute national and social conflict. The Peace Corps uses overt cultural, educational, and humanitarian aid. However, its true essence and nature is that of a vanguard and spearhead of the CIA, with the task of spying, subverting, establishing hidden forces to split nations and people, and staging coups to depose nationalist, neutral, and independent governments and set up governments which are puppets of the United States. Examples abound in Asia, Africa, the Middle East, and Latin America, such as the coup to depose the government and Samdech Norodom Sihanouk and the establishment of the U.S. puppet government of Lon Nol and Sirik Matak in 1970.

The Cambodian nation and people have experience with the United States with their own flesh and blood for over half a century, from 1950 to 1960 and 1970, and subsequently during the Paris agreement, and now when the United States is joining the communist Vietnamese aggressors and the two-headed government, traitor to the nation, to fuel the war to systematically kill the Cambodian nation and people and to exterminate the Cambodian race.

The U.S. imperialists owe a big debt of blood and bones to the Cambodian people. However, the Cambodian nation and people do not need to harbor grudges against the United States as long as the latter stop fueling the communist Vietnamese war. When Cambodia has peace, national reconciliation, and national union, the Cambodian nation and people will forget all about the past. However, if the United States comes to wage a second war of aggression in Cambodia, what else can the Cambodian people do except fight to defend themselves?

Minister on Dispute with SRV on Mekong Rights

BK1010051394 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 10-11 Oct 94 pp 1, 3

[FBIS Translated Text] Ing Kiet, state minister and minister of public works and transport, said on 7 October that Vietnam was considering a decision that would affect Cambodia as well as the Mekong-related countries in the construction and use of a bridge across the river.

Recently, Vietnam's Public Works and Transport Ministry invited its Cambodian counterpart to take part in a meeting held in Ho Chi Minh City to discuss a number of problems pertaining to the use of the Mekong River, including the following four important points concerning Cambodia:
1. The freedom of navigation along the Mekong River;
2. The construction of a bridge called Vithuon across the river;
3. The requirement [by Vietnam] to use the Bassac River instead of the Mekong as access to the [southern] gulf; and
4. That maritime transportation be authorized by the Vietnamese Ministry of Trade.

The state minister pointed out in reference to the above points that Vietnam's action was in total violation of an international convention reached by the Mekong-related countries and, importantly the rights of Cambodia, which uses the river as an access to Phnom Penh, one of Cambodia's economic gateways.

Ing Kiet added that to serve trade along the Mekong River, river transportation between the southern gulf and the Cambodia's international port should be totally free according to the international convention on the Mekong River reached by the countries using it. The convention prohibits any country from unlawfully regulating the use of the Mekong River.

The state minister added that the project to construct the bridge across the river had been discussed once and that there were a number of contradicting views between the two countries. A study on the bridge began in 1957 or 1958.

He added that according to maritime navigation laws, the bridge should be at least 37 meters high, though Vietnam argues that it should not be over 37 meters.

The reduction in the height of the bridge will cause Cambodia scores of problems. These problems are currently being discussed with Vietnam. Since we also need to develop our port economically, if the height of the bridge is less than 37 meters, large ships bound for Cambodia will be greatly affected.

The minister also disclosed that we would send a transport ministry delegation to hold discussions with Vietnam in order to protect Cambodia's interests in the most appropriate manner.

Rice Shortage Seen for Battambang in 1995

BK0910094394 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 9 Oct 94 p 4

[FBIS Summary] According to an agriculture official in Battambang Province, the province will be short 29,000 tons of rice next year. The shortage is caused by floods, which have destroyed 34,497 hectares of rice. This figure could rise to 37,000 hectares as some areas are still under water. The official says that only about 95,000 hectares can be harvested with an average yield of 1.42 tons per hectare. The amount needed for local consumption is 660,000 tons after a certain amount has been kept as seed and for other purposes. There is therefore a shortage of 29,000 tons for next year. Battambang used to be Cambodia's granary, actually producing a surplus for export. Thousands of tons of Battambang rice were transported by train to feed people in Phnom Penh; further amounts were smuggled to Thailand.

Khmer Rouge Commission Condemns Immigration Law

BK0710140394 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 7 Oct 94

["Communique of the Provisional National Commission Dealing with the Issue of Vietnamese in Cambodia"; dated 3 October—read by announcer]

[FBIS Translated Text] 1. Following the farce in which communist Vietnam ordered the two-headed puppets to deceptively draft the immigration law, communist Vietnam, the alliance of villains, and wacky human rights advocates have repeatedly made noise calling on the two-headed government, the international community, and the United Nations to legitimize the presence of 4 million Vietnamese in Cambodia.

2. Our Provisional National Commission would like to appeal to political personalities and figures to not get involved in this issue because communist Vietnam, the alliance of villains, and the two-headed government are colluding to allow Vietnamese nationals in Cambodia to continue annexing the country. Those who get involved in this issue will only get their names soiled as traitors and as ones selling territory to communist Vietnam and allowing Vietnamese to annex and exterminate the Cambodian race. This issue should be left to the two-headed government to be fully responsible to history and for the consequences resulting from this issue of Vietnamese nationals.

The stance of the Provisional Government of National Union and National Salvation is to implement a correct immigration law as stipulated the world over. On the one hand, the Vietnamese nationals are a force of the communist Vietnamese aggressors' force in Cambodia, and on the other, they have come to Cambodia against international law. These Vietnamese should be rounded up in camps and repatriated without fail.

The Cambodian nation and people are furious. Cambodians are consumed with anger. The issue of 4 million Vietnamese seriously affects the lives of the Cambodian people. The latter are suffering and are deprived of land, fish, job, and trees. They cannot accept this. They are rising up and uniting to struggle in every manner to deal absolutely with the Vietnamese who have come to annex Cambodia.

3 October 1994

The Provisional National Commission dealing with the issue of Vietnamese in Cambodia

Khmer Rouge: Moung District Seat Attacked

BK0910145994 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 9 Oct 94

[FBIS Summary] The National Army of Democratic Kampuchea and the people on 7 October at 0300 launched a three-pronged attack to smash the Moung district seat, Battambang Province.

After a two-hour battle, we killed five and wounded three enemy soldiers and destroyed three bridges: a 15-meter bridge on Route 5 between the high school and Moung River and two iron bridges, each 15 meters long. We also destroyed three commune office buildings, a railway station building, a warehouse, two military vehicles, and 15 assorted weapons. We seized three AK's, an SKS rifle, a field radio, and some war materiel. We scattered military and civilian state authority in 10 villages in Moung commune. The people also arrested six policemen of the two-headed government.

At 1000, the enemy came to the rescue of their colleagues from west of Moung market but were ambushed by us at Kaoh Cha bridge: one was killed and three others wounded.

On 6 October, our national army and people smashed the military and civilian state authority of the two-headed government in five other villages in Prey Svay commune. We cut the railroad track at five places totaling 200 meters.

The command of the Battambang battlefield has commended the army, guerrillas, and people on the south Battambang battlefield for their success in implementing the guerrilla and people's war.

Radio Reports More Attacks

BK1010130894 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Oct 94

[FBIS Summary] On 8 October the National Army of Democratic Kampuchea and the people on the battlefield north of Battambang town smashed and wiped out the invading troops and traitorous state authority of the two-headed government along the lower part of Mongkolborei River from (Tuol Kdei) to (Tasal). "We killed 24 enemy soldiers and wounded 10 others; another 10 were captured." We seized two machine guns, two RPD's, an M-79, 10 AK's, six AR-15's, (?three cases) of RPD shells, and 600 rounds of (AT) ammunition, and five M-79 grenades. We seized nine boats, two motorized boats, four sacks of rice, 45 sets of uniforms, 26 hammocks, and an ICOM field radio. Our army and people continue to smash and wipe out the enemies.

Indonesia

Alatas Views UNSC Seat Bid, Iraq Situation

BK1010151494 Jakarta ANTARA in English 0938 GMT 10 Oct 94

[FBIS Translated Text] Jakarta, 10 October (ANTARA)—Indonesia remains optimistic about gaining a nonpermanent seat at the United Nations Security Council [UNSC] for the 1995-1996 period following the strong support of members of the Nonaligned Movement [NAM] and a number of other developing nations.

"We remain optimistic about gaining the seat. There have been signs that we will obtain the votes needed to win the UNSC nonpermanent membership," Foreign Minister Ali Alatas said in Jakarta on Monday.

Speaking after signing an Indonesian-Swiss technical cooperation agreement, Alatas, however, was unable to predict how many nations would support Indonesia in an election for the UNSC nonpermanent seat.

"Clearly, we are the sole candidate from Asia, and we have received support for the bid to gain the seat," he said.

Every continent fields one candidate or more for a UNSC nonpermanent seat.

"I am convinced that votes for Indonesia will not be split because Indonesia is a sole candidate from Asia to gain a UNSC nonpermanent seat," he added.

When asked about developments in the Middle East, the foreign minister said Indonesia will consistently monitor developments in the Middle East.

"We will consistently monitor them," he said. He expressed the opinion that movements of Iraqi troops will not lead to a new Gulf war.

"I don't see signs that Iraq will soon invade Kuwait despite certain movements of its troops. The movements are still within their own territory," he said.

According to Alatas, Indonesia as NAM chairman, has done its best to help Iraq by trying to have the UN embargo on Iraq lifted.

"We have tried to help by raising the matter at a UN commission in charge of embargo, he said, stressing that Indonesia's efforts were based on the humanitarian principles.

The Indonesian-Swiss technical cooperation agreement was signed by Foreign Minister Ali Alatas and Jean-Pascal Delamuraz, Swiss chief of the Department of Public Economy.

Timorese Announce Unilateral Cease-Fire

LD1010190894 Lisbon Radio Renascenca in Portuguese to Europe 1700 GMT 10 Oct 94

[Passages within quotation marks recorded]

[FBIS Translated Text] Resistance leader Konis Santana has announced that a unilateral cease-fire declared by the Timorese resistance has come into force. The decision has been justified by the latest developments in the talks between Portugal and Indonesia. The cease-fire is provisional and there are conditions: The resistance wants the release of Xanana Gusmao [jailed resistance leader]. Raquel Abecassis reports:

[Abecassis] The cease-fire is said to have been in force since 1 October. The declaration reached Lisbon directly from the mountains of Timor through the voice of Konis Santana, the current armed resistance leader.

[Santana] "East Timor, National Council of the Maubere Resistance, CNRM. Unilateral declaration of cease-fire.

In the last two years the dialogue between Portugal and Indonesia on the question of East Timor, under the auspices of the UN secretary general, has witnessed certain changes in attitudes of the sides involved, in particular that of the Indonesian Government. It should be noted that the Indonesian leaders were forced to accept that the UN secretary general had contacts with the Timorese resistance."

[Abecassis] Konis Santana justifies the cease-fire by the fact that Indonesia recognized the Timorese resistance as an interested party in the negotiations. According to Santana, the cease-fire is part of an accord signed on 6 May in Geneva.

[Santana] "The CNRM, the highest nonpartisan body that leads the struggle of the people of East Timor against the criminal invasion and illegal occupation by Indonesia, considers the latest accords signed in Geneva on 6 May as a significant step forward in the search for a just, comprehensive, and internationally accepted solution for East Timor.

Once more the CNRM wants to contribute to the resolution of the problem, considering dialogue as the preferred method and proposing within it compromise solutions."

[Abecassis] As until now everything has happened in favor of the resistance, Konis Santana believes that this is the time to stop the guerrilla struggle in the mountains of Timor.

[Santana] "In view of the circumstances and sincerely expressing a wish to contribute constructively toward a dialogue between the warring sides—the occupying Indonesian Army and the national liberation forces, the Falintil—Falintil, within the context of the latest Geneva accords, states that it is ready and willing to declare, to its detriment but in favor of peace and dialogue, a unilateral cease-fire, with which it will comply strictly."

[Abecassis] For the cease-fire to continue, Konis Santana makes demands from everyone.

[Santana] "I ask the Indonesian Government to consider and reconsider its position of arrogance and to welcome the Falintil's gesture of goodwill. I ask that commander Xanana Gusmao be allowed to participate in the next round of negotiations. I ask His Excellency Bishop Dom Ximenes Belo to continue to fight for his wish to mediate the dialogue between the warring sides. I ask the Governments of the United States and Japan and the European Union to consider the new gesture of goodwill of the armed resistance, Falintil, to seek dialogue as the most effective method to resolve the problem of Timor."

[Abecassis] That was the unilateral cease-fire declaration announced in a statement recorded by Konis Santana given to Renascenca this afternoon by RDP International.

Dialogue Rejected; Fight Continues

LD1110104194 Lisbon Radio Renascenca in Portuguese to Europe 1000 GMT 11 Oct 94

[FBIS Translated Excerpt] There is no cease-fire in East Timor. Jose Gusmao [member of the National Council for the Maubere Resistance], in an interview a few moments ago, told us that the fight against the Indonesian occupation will continue, because Djakarta has not accepted a dialogue with the Timorese resistance.

[Begin Gusmao recording] The guerrilla movement is willing to continue the campaign to show the world that it is still active. We have the capacity to continue to fight, to continue the armed struggle in the territory.

In the last operations and in the last clashes the guerrillas have shown us their capacity for reorganization and their capacity to confront the occupying Indonesian Army. [end recording]

That was Jose Gusmao of the National Council for the Maubere Resistance promising that the armed struggle will continue in East Timor. [passage omitted]

Alatas, Dissidents Recap Talks

BK0710142694 Jakarta ANTARA in Indonesian 0952 GMT 7 Oct 94

[FBIS Translated Text] New York, 6 October (ANTARA)—Foreign Minister Ali Alatas feels that anti-integration leader Ramos Horta has no new ideas on the settlement of the so-called East Timor issue at international fora.

"I think there is nothing new. We already know most of his ideas, but he now expressed his ideas in a more detailed manner [words indistinct]," Alatas told ANTARA after receiving Ramos Horta and his group in New York on Thursday evening.

During the meeting lasting almost three hours, Alatas was accompanied by Izhar Ibrahim, director general for political affairs of the Department of Foreign Affairs; Nugroho Wisnumurti, permanent representative of the Republic of Indonesia to the United Nations; and Hasan Wirayudha, director for international organizations of the Department of Foreign Affairs. Horta was accompanied by his colleagues Jose Luis Gutteres and Joao Carrascalao.

Before receiving Horta and his colleagues, Alatas met other leaders also known for their opposition to the integration—Abilio Araujo, Jose Belo, Rogerio Lobato, and Constancio Gusmao.

According to Alatas, the meeting with the Horta group proceeded in a very open atmosphere. The two sides expressed their respective positions but there was no heated debate.

"I think there has at least been an opportunity to frankly express our perception and policy on the East Timor issue, and this step will hopefully help give a deeper understanding to Horta and his group about the issue," Alatas said.

Earlier, Horta, who was questioned by reporters after meeting Alatas, said the meeting was very important for bridging the different views of the two sides on the East Timor issue although no decision was made.

"The meeting [words indistinct] the 19-year-old conflict. Thus, we hope for another such dialogue—possibly, after trilateral talks involving the foreign ministers of the Republic of Indonesia and Portugal and (?the UN secretary general) in Geneva next January," he said.

Horta admitted that the meeting which he attended in his personal capacity was held within the context of the UN secretary general's mandate as a follow-up to the meeting between the foreign ministers of the Republic of Indonesia and Portugal in Geneva on 6 May.

He added that Alatas had not responded to a proposal for the release of East Timor political detainees and the withdrawal of troops from (?East Timor). Horta seemed to remain firm on this point.

Alatas said Abilio Araujo and his group have understood Indonesia's viewpoint and stance on the East Timor issue to a greater extent. Thus, the meeting with them proceeded in a more intimate atmosphere and was shorter.

According to Alatas, the Araujo group, among others, recounted the proceedings of the second round of reconciliation talks among East Timorese with different opinions in London from 29 September to 1 October.

Meanwhile, Araujo said after the meeting with Alatas that his group expressed its views on the current situation in East Timor in addition to recounting the London reconciliation talks.

Like Horta, Araujo called on the Indonesian Government to release East Timor political detainees or at least accord special treatment to East Timorese now under detention.

"This is important because they are also our colleagues, brothers, and sisters. We hope they [words indistinct] come and join us in the reconciliation process," he said.

Araujo also told Alatas of his plan to visit East Timor. The date of such a visit will, however, be determined later.

When asked on his group's relations with the Horta group, Araujo admitted that the two sides have not maintained good relations and said that Horta deserves no right to comment on the East Timor issue because the Horta group does not represent the majority of East Timorese.

"I have to say that Horta does not represent the majority. Horta represents just a small segment, but we recognize and respect him," he said firmly while adding that his group is open to discussions on the East Timor issue, including with the Horta group.

On a separate occasion, Horta, for his part, maintained that Indonesia should not talk with Abilio Araujo about the East Timor issue because he had committed a criminal offense in an African nation.

Horta also questioned the Araujo group's current soft stance because the group believed in violence and was opposed to any talks in the past.

Official Calls Malaysian Exercise Provocative

BK1010075894 Jakarta ANTARA in English 0447 GMT 10 Oct 94

[FBIS Translated Excerpt] Jakarta, 10 October (ANTARA)—Abu Hasan Sazili, vice chairman of House Commission I [in charge of foreign affairs, defense, security, and information], has said Malaysia's military exercise featuring the capture of an island and formation of a new rapid deployment force can provoke the emotions of the Indonesian people.

"Let's fulfill our respective commitment or otherwise the Indonesian people will be provoked because they also have a high sense of nationalism and pride in their nation's sovereignty," he told ANTARA before House Commission I began its meeting in Jakarta on Monday.

According to reports by a number of foreign news agencies, the neighboring nation is scheduled to officiate the formation of a new rapid deployment force on Monday following last week's military exercise which featured the capture of an island occupied by an imaginary enemy.

According to a number of military sources cited by foreign news agencies, the military exercise on Langkawi island has prompted Indonesia, Singapore, and Thailand to express their concern.

The three nations have border disputes with Malaysia. Malaysia has a dispute with Indonesia over the islands of Sipadan and Ligitan to the northeast of East Kalimantan. It is also locked in a dispute with Singapore over Pedra Branca Island in the south of the Malay peninsula.

According to Sazili, Malaysia as a fellow ASEAN member should compromise and exercise self-restraint so as not to create distrust or dissatisfaction on the part of its neighbor.

"We hope that we as fellow ASEAN members will be able to compromise and exercise self-restraint," he said. [passage omitted]

Association Revokes Approval of Editor

BK0710125494 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 6 Oct 94

[FBIS Translated Text] Following the decision by the Jakarta chapter of the Indonesian Journalists Association [PWI] to revoke its recommendation of Syamsu Hadi, chief editor of the weekly magazine SIMPONI, the PWI Central Executive Council issued a similar directive. SIMPONI originally obtained the recommendation on 6 January 1986.

A press release signed by PWI Chairman Sofyan Lubis and General Secretary Parni Hadi said the revocation is effective today, one day after the action of the Jakarta chapter. The action is aimed at supporting professional consolidation as stipulated in the 19th PWI congress resolution, in which the chief editor of a publication is answerable to the PWI in performing his editorial duties. If he fails in his duties, the PWI is entitled to impose disciplinary action or revoke the recommendation.

Editor Agrees To Follow Procedures

BK0810094294 Jakarta ANTARA in Indonesian 1644 GMT 7 Oct 94

[FBIS Translated Excerpt] Jakarta, 7 October (ANTARA)—Syamsu Hadi, chief editor of the weekly magazine SIMPONI, said in Jakarta on Friday night that his group will follow the procedures laid down by the Jakarta chapter of the Indonesian Journalists Association [PWI] that a new editorial board should be named and the weekly should not be published before a recommendation from the new editorial board is obtained.

"As a new editorial board has yet to be named, the weekly SIMPONI will not be published for the time being and a new editorial board will be presented to the Jakarta chapter of the PWI as soon as possible after it is named by the Putera Bangsa Foundation," he told ANTARA.

He said his group had received confirmation from Drs. [academic title] Subrata, director general for press and graphics development, that the PWI Central Executive Board and the Newspaper Publishers Union will immediately process such an application.

Syamsu Hadi was also questioned on whether he was ready to remain as chief editor of the weekly SIMPONI. He said: "This will depend on the Putera Bangsa Foundation. I will remain as chief editor if the foundation continues to have faith in me." [passage omitted]

Suharto Meets Swiss, PRC Economic Ministers

BK0910094594 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 8 Oct 94

[FBIS Translated Text] Swiss businessmen want to enhance business relations with and increase investment in Indonesia such sectors as machinery, banking, and (?services). Jean-Pascal Delamuraz, Swiss chief of the Department of Public Economy, said following talks with President Suharto at the presidential office in Jakarta today that Swiss businessmen were also prepared for joint- venture projects. Swiss businessmen want to enhance relations with Indonesia due to Indonesia's huge potentials. Indonesia's population has become the main attraction for Swiss businessmen to enhance bilateral relations.

At the same venue, the head of state also received Mrs. Wu Yi, PRC minister of foreign trade and economic cooperation. Wu Yi told reporters that the volume of trade between the two countries amounted to U.S. $2.1 billion in 1993 and the trade transactions reached U.S. $1.2 billion during the January-July 1994 period. She added there are 83 PRC projects in Indonesia, worth U.S. $100 million.

Editorial on National Aspirations for Democracy

BK1110111694 Jakarta SUARA PEMBARUAN in Indonesian 27 Sep 94 p 2

[Editorial: "The Prevention of Political Maneuvering From 'Above'"]

[FBIS Translated Text] The Monday 26 September edition of this daily carried an article entitled "Maintaining Democracy" under its viewpoint column. Among other things, the article dealt with analyses on and protests against efforts to restrict the corridors of democracy and openness with a view to maintaining democracy. However, it was stressed that maintaining democracy means preventing the abuse of freedom.

It is true that democracy must be maintained to prevent it from decaying. We must bear in mind that democracy is not something given [preceding word in English], but rather the fruit of a continuous struggle by the government and the people. Thus, democracy must be maintained by, among other things, ensuring that all democratic institutions function optimally and the people's political education grows dynamically.

All parties have admitted that we still lack experience in implementing democracy in the country. Our national values of mutual cooperation were uprooted during hundreds of years of Dutch colonialism and were replaced by feudalism. It is not surprising then that there are people who say that the implementation of democracy in this country is now still formal and normative. K.H. Abdurrahman, chairman of the Nahdlatul Ulema Muslim Organization, recently said that Indonesia's system of Pancasila democracy is still semi-authoritarian.

The issue of maintaining democracy has drawn our attention to the speech by Ir. [Engineer] Siswono Yudohusodono, state minister of transmigration and forest settlements, at a national conference organized by the Indonesian League of Catholic College Students in Jakarta on Monday.

The minister said that, among other things, all parties expected democracy to grow as a result of the people's interaction and dialectic. But he noted that there is also a breakdown in the people's dialectical process because of too much political maneuvering by the government. Siswono said that a phony type of democracy has emerged in the form of the election of mayors or governors in certain regions.

Agreeing with our article, Siswono said that generally the principle of equilibrium [preceding word in English] has to be implemented to maintain democracy in the country. He said that there are countries that claim to be very liberal and democratic, but in reality are chaotic. He indicated that opposition groups have recently emerged in Indonesia who claim that they are supporters of democracy but who do not toe the line of the dialectic of the people that they represent.

Minister Siswono is correct and because of this fact, everyone is duty bound to prevent a breakdown in the people's dialectical process. This is especially true if the breakdown is caused by political maneuvering from the government. Actually we have already experienced political maneuvering from the government.

To cite an example, in the past the people's dialectical process was interrupted when politics played a leading role in it. Besides, democracy was driven toward a personal cult. It was as if democracy had been personified in a certain figure. The government's political maneuvering in democracy was so dominant then that it revolved around the revolutionary, political, and military forces in such a way that it could not be controlled by the country's basic Constitution. The people's aspirations and political and democratic development in the country stalled as a result of such political maneuvering.

A forum organized by nongovernmental organizations in Yogyakarta claims that there has been political maneuvering by the government following an announcement that it plans to issue a presidential instruction to regulate the activities of NGOs. The forum feels that the plan is unproductive and will be controversial. In its press statement, the forum stated that what the NGOs need now is deregulation on policies and not a regulation.

We can draw valuable lessons from our experience in implementing democracy from time to time. In the era of parliamentary democracy in the 1950's we faced several tragic events and instability due to the absence of an equilibrium between democracy or freedom and responsibility. At that time personal freedom was a high priority, but responsibility was ignored.

Likewise, in the era of guided democracy at the end of the 1950's and in the beginning of the 1960's, an equilibrium was absent, too, because responsibility under the doctrine that politics played the leading role took precedence, while freedom was ignored. The climax of this type of political maneuvering by the government was the G-30-S/PKI [September 30 Movement/ Indonesian Communist Party] uprising which led to a national tragedy.

Herewith, we wish to disclose the various experiences that we have gone through to implement democracy in the country. We can use past experiences as a comparison to the current situation so that we do not plunge into a democratic system that is not suitable to the people's dialectical process, as mentioned by Minister Siswono. In other words, we must develop in the future a democratic system that encourages participation and meets the people's aspirations. In this way, we can maintain a democracy that is really suitable to our national characteristics.

Laos

Radio Feature Reviews 1968 Phathi Fighting

BK0710133794 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 6 Oct 94

[Feature from "Army Tradition Review Program:" "The Phathi Combat Operation"]

[FBIS Translated Excerpt] Beloved comrades and friends, during the past national liberation war, the Phathi combat operation in 1968 was among the fierce and furious operations. It reflected the lofty patriotic spirit of cadres and combatants of our Lao People's Army, who scored outstanding heroic deeds for the nation. Phathi is a hill 1,800 meters high. It was an important strategic position occupied by more than 2,500 enemy soldiers since 1961. The enemy forces included the Vang Pao bandit troops, a foreign mercenary battalion, and a number of foreign military experts.

At that time, Phathi served as a primary nest for the bandits and it was considered a major strategic position equipped with a radar system able to command northern Laos and Vietnam. From this peak, enemy bandits sent forces to launch repeated nibbling attacks on our liberated areas. Beginning in November 1968, our armed forces, supported by [Vietnamese] volunteer troops, surrounded and attacked enemy positions around Phathi. [passage omitted]

On the night of 18 March 1968, our armed forces attacked and seized or destroyed various main (?spots) of the enemy forces, such as the Phathi airfield, the radar system, and the command headquarters. [passage omitted]

With the cooperation and support of local residents, our armed forces completely liberated the Phathi position, putting out of action more than 870 enemy elements. Our armed forces also killed on the spot (Thao Kiatou), commander of the Phathi position, shot down many planes, and seized or destroyed all enemy war equipment. [passage omitted]

With the hope of retaking the Phathi position, the enemies mobilized their air force between 9 and 18 September 1968 to bomb and strafe it. They also deployed helicopters to transport troops to coordinate with their (?underground) forces in attacking and seizing Chomsan and Namti—areas some 15 km south of Phathi—with a view to threatening Phathi and Sam Neua district town.

Facing this situation, our forces, comprising Battalions 613 and 585, supported by Regional Armed Forces Company (?17) of Siangkho District along with the antiaircraft company and militia-guerrillas of Houa Meuang District, launched 23 counterattacks against the enemy, killing 85 enemy, capturing or forcing 45 others to surrender, seizing 32 guns, and downing eight aircraft.

As the enemy suffered heavier defeats, the more brutal were the acts they conducted with the hope of retaking the Phathi position. Between 20 (?October) and 27 December 1968, the enemies deployed eight battalions of infantry forces supported by bombing to launch another round of nibbling attacks against the Phathi position. This round of operations was very fierce. Each day the enemies flew as many as 80 bombing sorties in support of the battle. [passage omitted]

Our side's forces, comprising Battalions 613 and 585 and three other battalions of Vietnamese volunteer soldiers—Battalions 923, 927, and 5, repeatedly counterattacked from 24 November to 27 December 1968. [passage omitted] During this period, our forces launched 39 major or minor counterattacks against the enemies, killing 441 enemy elements and downing one T-28, one helicopter, and one F-105.

This was Phathi of the past, an area where the heroic fighting traditions of our army were engraved. It represented a symbol of heroic deeds and the spirit of militant solidarity between Laos and Vietnam. [passage omitted]

Party Office Delegation Leaves for Visit to China

BK0810111894 Vientiane KPL in English 0901 GMT 8 Oct 94

[FBIS Transcribed Text] Vientiane, October 8 (KPL)—A delegation of the Lao People's Revolutionary Party's Office led by chief, Thongsavat Khaikhamphithoun left here on October 6 for Beijing for an official visit at the invitation of the Communist Party of China.

While visiting China for a week, the Lao delegation is to meet and exchange view with CPC's official and to visit places of interest.

Chinese ambassador to the Lao PDR [People's Democratic Republic] Li Jiazhong

Information Minister Leaves for DPRK, PRC

BK0710125294 Vientiane KPL in English 0917 GMT 7 Oct 94

[FBIS Transcribed Text] Vientiane, October 07 (KPL)—A delegation of the Ministry of Information and Culture led by its Minister, Osakan Thammatheva, left here yesterday afternoon for the Democratic People's Republic of Korea (DPRK) and the People's Republic of China (PRC).

The aim of the visit is to discuss the cooperation and exchange experience in information and culture and seek more assistance. The visit is also aimed at strengthening the traditional solidarity with the two nations.

The visit is in response to the invitation of the DPRK's National Committee of Information and of the PRC's Ministry of Radio, Television and Cinematography.

Interior Ministry Delegation Returns from DPRK

BK1110114294 Vientiane KPL in English 0912 GMT 11 Oct 94

[FBIS Transcribed Text] Vientiane, Oct 11 (KPL)—The delegation of the Ministry of Interior led by its minister, Asang Laoli, yesterday returned to Vientiane after a 1-week official friendly visit to the DPRK at the invitation of Mr. Kim Yong, acting-minister of security of the DPRK.

During its stay in the DPRK, the Lao delegation exchanged views with the Korean side in order to enhance further the friendship between the two countries.

The delegation of the Ministry of Interior was welcomed at Wattai airport by Mr. Khamphon Boutdakham, vice-minister of interior and Mr. Chang Yong-chun, DPRK ambassador to Laos.

Party Delegation Meets With SRV Counterparts

BK1010104294 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 8 Oct 94

[FBIS Translated Text] A party delegation of Laos' Khammouane Province and a party delegation of SRV's Thua Thien Hue Province held a consultative meeting in Khammouane Province on 4 October. The two delegations discussed various issues of common interest. The SRV provincial party delegation was on a four-day visit to Khammouane Province. The Lao side was headed by Inpong Khai- gnavong, secretary of the Party Committee and governor of Khammouane Province as the Vietnamese side was headed by Vu Thang, secretary of the Party Committee of Thua Thien Hue Province.

At the meeting, the two sides decided that the visit to Khammouane Province by the party delegation of Thua Thien Hue Province on this occasion marks a significant milestone in contribution to the promotion, expansion, and further strengthening of the friendly relations, special solidarity, and all-around cooperation between the parties, governments, and peoples of the two countries in general and between the two provinces of Khammouane and Thua Thien Hue in particular. The two sides also exchanged views and experiences on the implementation of the party and cadre building work as well as the socioeconomic construction work in the restructuring period.

10 Oct Assembly Session Reviews Accomplishments

BK1110112194 Vientiane KPL in English 0909 GMT 12 Oct 94

[FBIS Transcribed Text] Vientiane Oct 11 (KPL)—Hearings went on yesterday at the 5th ordinary session of the National Assembly (third legislature) with the report of minister of justice, the deputy minister of interior, the president of Supreme Court, and the People's Attorney.

Members of the House also rounded up their 1993 activities and especially the implementation of the role of the National Assembly in controlling and advising the government. Since its election, the deputies of the third legislature gave focus on the role of legislative and juridical organisations. The National Assembly so far adopted three laws such as: the laws on business, on customs, and on state budget. It also amended two text such as: the laws on labour and the laws on foreign investments in the Lao PDR [People's Democratic Republic.

So far 25 laws have been adopted or amended and the ongoing session is deliberating a series of laws such as: the laws on mortgage, the laws on bankruptcy. All those laws are aiming at stabilising the socioeconomic and political situation, at improving the living standard of the population and at attracting foreign investors.

Chairman Reports on Activities of Assembly

BK0910150194 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 8 Oct 94

[FBIS Translated Excerpt] This morning, the fifth plenary session of the Third National Assembly conducted its proceedings for the 12th day.

During the morning session, Saman Vi-gnaket, chairman of the National Assembly, addressed the gathering, reviewing the activities of the house during the 1993-94 fiscal period and proposed the orientation of its tasks for the 1994-95 fiscal year to the meeting. He assessed the outcome of the implementation of tasks and evaluated some strong and weak points and many lessons gained by the National Assembly from its practical activities. [passage omitted]

Regarding activities in international affairs undertaken by the National Assembly, Saman Vi-gnaket said that while carrying out activities at home, the National Assembly has also engaged in international affairs efforts, for example by participating in the work of the International Parliamentary Union [IPU], the Asia-Pacific Parliamentary Union, and the ASEAN Parliamentary Council. It has also exchanged experiences with the parliamentary organizations of other countries, for example by visiting the SRV to exchange lessons with the parliamentary organization of that country, attending the 91st and 92d conferences of the IPU, participating in international-level parliamentary meetings in Thailand and Egypt, the conference of parliamentary members on science and technology in Japan, the international conference on technology in Indochina held in Thailand, the international conference on population and development in Egypt, and the 15th AIPO [Asian Interparliamentary Organization] congress in the Philippines. Our National Assembly also extended a warm welcome to the parliamentary delegation of the Kingdom of Thailand, the parliamentary delegation of the Kingdom of Cambodia, the parliamentary delegation of Malaysia, the IPU delegation of Thailand, the delegation of the office of the SRV parliamentary office, and the delegation of the Legal Affairs Commission of the SRV National Assembly during their visits to Laos. [passage omitted]

Philippines

Manila Readies Evacuation Plan for Middle East

BK1110110694 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 11 Oct 94

[FBIS Translated Text] The Overseas Workers Welfare Administration [OWWA] will implement the plan it used in repatriating Philippine workers during the 1990 Persian Gulf war.

OWWA Administrator David (Curtin) said the two exit points in Saudi Arabia may be used again in evacuating the Filipinos if war erupts. OWWA needs a commercial airline in the evacuation, and continues to monitor the situation in Kuwait.

Ramos Plans To Send Police Contingent to Haiti

BK1010051194 Quezon City Radio Filipinas in English 0230 GMT 10 Oct 94

[FBIS Transcribed Text] In Malacanang, President Ramos says the planned deployment of a national police contingent to Haiti represents Manila's strong pitch for the promotion of world peace. The president says the sending of a 300-man PNP [Philippine National Police] contingent to Haiti is the country's contribution to the United Nations' mission as the world's peacekeeper. He says the contingent would not participate in any military operations and it will be sent after democratic rule is restored in Haiti. The president is hopeful congress would allow the deployment of a contingent once the issues and facts are threshed out.

Congress Approves Move

BK1010114494 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 10 Oct 94

[FBIS Translated Text] Congress has finally permitted the president to send Philippine policemen to Haiti as part of the UN peacekeeping force. The president explained to congressional leaders that the sending of Philippine policemen is an expression of support for UN peacekeeping operations. The policemen will not participate in any combat operations but will be allowed to carry guns for protection. The 50 police monitors will join the Haitian police to maintain peace and enforce law.

Policemen wanting to go to Haiti can now volunteer. Those chosen will be sent to Puerto Rico for training before going to Haiti. The president emphasized that they will be staying in Haiti only for six months. The expenses in sending the police and their salary, which is $903 monthly. [sentence as heard]

Government, EC Sign Pact for Projects in Aurora

BK1010063494 Manila BUSINESS WORLD in English 6 Oct 94 p 7

[FBIS Transcribed Text] Rural production in agriculture, livestock and fisheries in the province of Aurora is expected to improve over the next few years after government and the European Commission (EC) recently forged an agreement to alleviate poverty and generate employment in the area.

The Aurora project, which will enter its second phase this year, is aimed at strengthening the agricultural production of the province's farmers in the lowland and upland areas.

Documents furnished Business World said sustainable agricultural practices will be introduced to improve irrigation facilities (by constructing small water-impoundment schemes and ground waterwells), develop agricultural extension and training service, and enhance farmers' cooperative and organizations.

Rice, corn and root crop production will be upgraded and intensified, while crop diversification will be promoted to include fruit, vegetables, spices and other non-traditional crops.

An environmentally sound upland agricultural technology will also be used in agro-forestry production, along with watershed protection activities.

In the livestock sector, related infrastructures such as auction halls, abattoirs and veterinary clinic are expected to be set up at the cooperative level. The goal is to expand livestock ownership and strengthen production among small farmers.

Improvements in fisheries production should result in enhanced fish stocks (through a community resource management approach), a developed small-scale aquaculture production and reduce post-harvest losses, among others.

Small-scale infrastructure facilities—such as ice plants, salt-making and transport—will either be constructed or rehabilitated to aid fisher folks.

Complementing the agricultural production component of the project is the establishment of credit and marketing facilities to further raise the incomes of the locals. Related infrastructures that will either be constructed or upgraded are community market halls, simple storage and processing facilities and transport facilities.

Existing rural credit institutions will be strengthened to ensure the availability of funds. Training services, through government and nongovernmental organization (NGO) channels, will be made available to improve the credit and marketing skills of the farmers.

A series of environmental actions will be implemented to arrest environmental degradation and to upgrade the sustainable resource base.

These actions are:

—protection and rehabilitation of key watershed areas, particularly those with impact on irrigated areas;
—reduction of slash and burn agricultural practices; and
—protection and enhancement of marine and coastal fisheries sources, including protection and rehabilitation of coral reefs and mangroves.

Completing the picture is the strengthening of developmental capabilities of local institutions to ensure that socioeconomic programs in the province will be implemented.

Public health programs on malaria and tuberculosis prevention will be emphasized through the provision of safe water supplies. The ability of women to play their full role in the socioeconomic development process will be strengthened through components dealing with cooperatives and small enterprises.

Other aspects of the program include the acceleration of agrarian reform activities by fast-tracking land survey work, and promotion of enhanced employment opportunities in small and micro-enterprises through government and nongovernmental organization projects.

Total cost of the Aurora project over a five-year period is estimated at 16.43 million ECU [European currency unit] (about $19.07 million), of which 13 million ECU (about $16.07 million) will be provided by the EC in the form of a grant. The remaining costs will be shouldered by government.

Contributions through credit will be made available by local financial institutions, including in-kind contributions to be made by NGOs and the beneficiaries.

The project will be implemented by the Aurora Integrated Area Development Project Office, the provincial government, Department of Agriculture and National Economic and Development Authority.

Communists Warn Against Acceptance of GATT

BK1010051894 Quezon City Radio Filipinas in English 0230 GMT 10 Oct 94

[FBIS Transcribed Text] Communist leaders warned that acceptance of the General Agreement on Tariff and Trades or GATT could lead to the collapse of the peace talks between the government and the rebels. National Democratic Front chief negotiator Luis Jalandoni says the GATT was among the economic issues they intended to raise during the talks. Jalandoni says acceptance by the government of the GATT would deepen the problem of poverty and increase social tension. He adds that the agreement would result in the destruction of Philippine industries to the detriment of the working class.

De Villa Says Moro Rebels Building Up Forces

BK1110033894 Manila PHILIPPINE DAILY INQUIRER in English 11 Oct 94 p 8

[FBIS Transcribed Text] Muslim rebels have been building up their forces since peace talks between the government and the Moro National Liberation Front [MNLF] began in October last year, Defense Secretary Renato de Villa said yesterday.

Speaking at the opening of the national conference of local amnesty boards at Camp Aguinaldo, De Villa said he has received reports that the MNLF and the Moro Islamic Liberation Front [MILF] have been recruiting young Muslims, rebel returnees and ex-soldiers for a so-called MNLF National Army.

De Villa said MNLF regulars and reserves are also undergoing training while the MILF have intensified its campaign to get more arms.

Former Ambassador Manuel Yan, chair of the government panel in the peace talks with the MNLF, said the reported military buildup could be a major violation of the cease fire agreement.

"I haven't received reports on that yet. Since that is a major cease fire violation, the matter should be taken up by the cease fire committee. That has to be reported and looked into," Yan told defense reporters.

De Villa also said he expected the talks with the MNLF to reach the critical point in the final round of talks in

Jakarta, Indonesia. But he said hopes are high that the conflict will be settled peacefully.

"A breakthrough in the talks could signal a new dawn of peace in southern Philippines. A stalemate could trigger the renewal of the armed conflict, with the possible reunification of the MNLF and MILF," De Villa said.

De Villa, who spoke on the state of insurgency in the country, said that from 1 January to 30 September this year, Moro rebels figured in 148 violent incidents.

He said the clashes resulted in the death of 110 Moro rebels, 32 soldiers and 52 civilians. The military also seized 47 firearms from the rebels, he said.

De Villa estimated the MNLF force at 14,080 fighters with about 8,280 firearms as of June 1994. He said lack of ammunition is its major drawback.

De Villa said the MNLF forces are concentrated in Sulu, Basilan, Tawi-Tawi and the Zamboanga peninsula.

The MILF, on the other hand, commands some 5,420 followers in the Lanao and Cotabato provinces, a big number of whom are reportedly inactive. But they have more firearms which De Villa estimated at 6,480.

A third group called the MNLF Reformist Group has only 280 members left, most of whom are inactive. De Villa said it has about 120 firearms.

Thailand

Leadership Reaction to Cabinet Reshuffle Moves

Chuan Seeks PDP Guarantees, Prasong Out

BK1110161294 Bangkok THE NATION in English 11 Oct 94 pp A1, A3

[FBIS Transcribed Text] Prime Minister Chuan Likphai was seeking assurance from the Phalang Tham Party [PDP] yesterday that the revamp of its Cabinet line-up would not affect the government's policies, particularly on foreign affairs, coalition leaders said.

"One thing which must be clear here is that the new Cabinet team of the Phalang Tham Party must adhere to the govemment's policies as declared to Parliament when this administration took office," said Deputy Commerce Minister Churin Laksanawisit of the Democrat Party.

Phalang Tham replaced all of its 11 Cabinet members with a totally new team in a stunning and controversial decision on Saturday, raising concerns about the continuity of government work and reviving tension within the strife-torn party.

The changes include the replacement of Foreign Minister Prasong Sunsiri with media mogul Thaksin Shinnawat and the removal of Communications Minister Winai Somphong, who will be succeeded by ex-banker Wichit Suraphongchai.

Chuan said yesterday he will discuss the reshuffle with PDP leader Chamlong Simuang along with New Aspiration Party leader Chawalit Yongchaiyut, who is also proposing a minor reshuffle of his party's ministerial team. Sources said the meeting could be held today or tomorrow.

"Now is not the time to say whether I should accept the PDP reshuffle or not," Chuan told reporters. "If the changes are not that bad, I don't think there will be any problem. "

Earlier yesterday, Chuan cancelled the weekly meeting of economic ministers and spent nearly two hours in private conversation with Prasong and outgoing PDP Deputy Prime Minister Bunchu Rotchanasathien.

"The Democrat Party is unlikely to interfere with the reshuffle, but the prime minister is concerned about the continuation of government policies, especially on foreign affairs," a high-ranking government source said yesterday. "The government is trying to make it clear with the Phalang Tham Party that the new ministers, particularly the new foreign minister, will keep. doing what the government has been doing instead of suggesting drastic policy changes."

Chuan also wants all outgoing PDP ministers to attend today's weekly Cabinet meeting for the last time.

The same source said Chuan felt "uneasy" with Prasong's replacement because the Phalang Tham minister has gained considerable international recognition.

Deputy Prime Minister Banyat Banthadthan insisted yesterday that as head of the coalition, Chuan had the right to call for a review of the PDP reshuffle. "Of course, it's a party's internal affair, but this affair concerns the government's work too," the deputy Democrat leader said.

Democrat Secretary-General Sanan Kachonprasart also commented that if Chuan suggested some changes, "Maj Gen Chamlong should listen". But Sanan denied that the Democrats had lobbied the PDP against dropping Prasong.

Chuan said he will allow outgoing Communications Minister Winai to decide whether to withdraw from the Cabinet agenda a project to further expand telephone lines. Winai could either withhold the project and pass it on to his successor or proceed with it by seeking Cabinet approval, Chuan said.

Chamlong, who will become deputy prime minister, expressed confidence yesterday that the reshuffle will ultimately be approved by Chuan.

"I'm waiting for an appointment from the prime minister. I'm not going to say this reshuffle is unchangeable because that would sound too arrogant and aggressive," the Phalang Tham leader said. Asked if he would accept changes proposed by Chuan, Chamlong replied, "I don't think he will do that".

Chamlong faces looming resentment in his own party, where the "ministerial wing", which earlier was completely edged out of the party's executive board, now is shrinking into total oblivion. Many political analysts foresee an eventual mass defection from the third biggest coalition party.

"The public knows well whether the removed PDP ministers have received justice or not," Prasong said yesterday. When asked if he would quit the party, he quipped: "That's a good question, but I'm not answering it now."

He said it was Phalang Tham's responsibility to explain to its constituents why party Cabinet members who had seemed to perform well were removed in this reshuffle.

He said he would not tender a letter of resignation from the post to the party. "I've done nothing wrong," he said after he and Bunchu met Chuan.

He also declined to comment on the fact that the reshuffle was made in the absence of many current PDP ministers.

Prasong said he would keep his decision on his political future to himself for the time being.

He promised to discuss "some day in the future" what impact a replacement of the foreign minister would have on Thailand' foreign policy.

Thaksin Selected Foreign Minister

BK1110164994 Bangkok THE NATION in English 11 Oct 94 p A2

[FBIS Transcribed Text] The nomination of international business tycoon Thaksin Shinawat for foreign minister came as a big surprise, but was generally welcomed by officials at the Saranrom Palace.

Most of those interviewed believed that Prasong Sunsiri has served for far too long as foreign minister and that the longer he stays on, the more damage his alienation within the foreign ministry bureaucracy and ineptitude in foreign affairs would cause to the national interest.

The same people interviewed were disappointed when the Phalang Tham Party's leaders indicated that Prasong would be the only Cabinet member spared from the reshuffle under the party's quota.

Yesterday, the officials were still trying to check the veracity of the reports indicating that Thaksin is to replace Prasong, but a sense of ecstasy was clearly in the air: "Is it true that Khun Thaksin will become the new foreign minister?" was the most frequent question reporters encountered at the foreign ministry.

The response from officials, who all requested anonymity, was a cautious optimism that the new appointment would take place.

While they still doubted that the former chairman of Shinawat Computer and Communications Group, who has extensive business experience, would be able to handle the delicacy of Thai foreign affairs and politics, they said they are ready to give him time to prove his ability.

Surprisingly, many of the officials gave a amazingly similar reply: "Anybody would do better than Prasong."

Before he assumed the post of foreign minister, Prasong was held in the highest regard and most held high expectations of him, due to his working background as chief of the National Security Council (NSC). However, Prasong has been a disappointment—for these officials, he came to represent secrecy and division.

"Everybody agrees that the old regime is going to go. Certainly, Khun Prasong will be most unhappy with that scenario," said one junior official.

"Thaksin is totally new to the international arena. We know that he became a successful businessman in a very short period of time, but we don't know how much he knows about foreign affairs," the same official said.

Working with the highly-educated Saranrom staffers who are choosy about who should be their big boss, should not be much of a problem to Thaksin, who holds a PhD in criminal justice.

The officials believe that the businessman's working experience as a policeman will help pave the way for his acceptance by the Saranrom bureaucracy.

Asked to comment on Thaksin's alleged involvement in the recent coup attempt in Cambodia, several officials said there has been "no evidence established against him". Nor has his company, whose broadcasting contract in Cambodia was severed from 99 years to 30 by the current government in Phnom Penh, been implicated in the coup.

"Time will prove (if the allegations have any basis)," said one official.

"Nobody has yet officially accused him of direct involvement in the coup attempt. People are more suspicious of a senior Shinawat official, who has already resigned from the company in Phnom Penh," said another official.

Most officials believe that Thaksin is qualified for the ministerial post and believe that Prasong has made a lot of diplomatic blunders and caused a lot of damage during his two-year tenure.

Contrary to Prasong, who is said to be "very stubborn" in his beliefs, the authorities believe Thaksin, with his growing business empire, will be "more open-minded and acceptable to initiatives from bureaucrats". Further, it is expected that he will show more respect to government servants. "Just name something that has been a success for Khun Prasong. Inviting Burma to attend the Asean Ministerial Meeting? When the NSC took control of Thailand's foreign policy towards its neighbours, what can the foreign ministry (under Prasong) do?" said the official.

The officials said Thaksin is "clever, witty and tactful" and should be able to merge his adeptness in business administration with his performance as foreign minister.

They believe that Thaksin, a non-MP and a completely new face in Thai politics, will be able to work with Deputy Foreign Minister Surin Pitsuwan, whose educational background and two years' service as deputy minister has earned him great respect in diplomatic circles.

They said the foreign ministry had provided for "some conflict aversion measures" to prevent clashes between ministers who come from different political parties.

They cited a potential source of conflict between Surin and Thaksin, namely Surin's reluctance to step into Prasong's shoes by making regular overseas trips.

PDP Reacts to Proposed Reshuffle

BK1110163794 Bangkok THE NATION in English 11 Oct 94 p A2

[FBIS Transcribed Text] A mixed bag of sarcasm and resignation were the order of the day among key Phalang Tham Party [PDP] members yesterday who lost Cabinet posts or had their hopes of attaining a portfolio dashed as a result of sweeping changes to the PDP's ministerial line-up made on Saturday.

"This is a great move and the prime minister will find it hard to oppose," said former PDP leader Bunchu Rotchanasathian, who will lose his deputy prime ministerial portfolio once the reshuffle takes effect.

"Maj Gen Chamlong Simuang should be commended for bringing in people who nobody thought could join the Cabinet," he said.

Bunchu and Foreign Minister Prasong Sunsiri, who will also lose his Cabinet portfolio to communications tycoon Thaksin Shinwat, met Prime Minister Chuan Likphai at Government House yesterday morning. Chuan told the two to continue their work until the changes take effect.

Asked by reporters if he could "stand" the reshuffle, Bunchu replied, "I have had to put up with this for a long time". But he denied that he planned to quit the third largest coalition party.

Bunchu declined to comment on the PDP's future. "We will know after a while. I don't want to criticize anybody because the new ministers have not started working yet," he said.

Bunchu said he believed Chamlong had a "good reason" to include outsiders in the party's Cabinet team. "The question is why he had to do so despite the fact that the party has a lot of capable people. I was not there when Chamlong explained his decision. But I believe he has a good reason," he said.

Asked if he thought Chamlong was autocratic, Bunchu said: "Don't ask me a question like that. What concerns me is the future of the government, and that's why I have had to stand a lot of things. I hope you understand that I'm not in a position to react now. It's better for me to let time go by for a while."

Bunchu admitted that the PDP's executive board had reneged on its stand not to allow board members to become Cabinet members. He added that the prime minister was expected to endorse the PDP reshuffle.

"The prime minister wishes to see us continue what we have done over the past two years until our common objectives are fulfilled. He wants us to walk on. But he will finally accept that the changes are the responsibility of Phalang Tham," Bunchu said.

Adison Phiangket who is to be replaced by Phongsak Indaraphanit as deputy education minister, said he felt "nothing".

But when asked to comment on the fact that some PDP executives are to become ministers despite an earlier policy precluding it, he said: "I don't have to comment on this. The public remembers well who used to say what and who used to do what. And I think the executive members also remember well what they used to say and do."

He also noted that the prime minister had not yet endorsed the reshuffle. "Don't get too excited, especially those who have been nominated. Please wait until the official appointment is made. Don't get dressed up too soon or you'll be embarrassed if you're stood up," Adison said.

Deputy Interior Minister Chamni Sakdiset, who will be replaced by his former secretary Seri Phatthanaphanchai, said he did not think Chuan would intervene in the reshuffle.

"I think the prime minister will decide only whether or not to accept the reshuffle, which I believe in principle he will accept. I don't think he will initiate any changes," Chamni said.

He added that all ministers being removed in the reshuffle would support their successors. "I don't have to say much about my removal. I think the public understand our party," he said.

Col Chinawat Sunthonsima, who will be replaced by Phimpha Chanprasong as the PM's [Prime Minister] Office minister, called on all party members to respect Saturday's decisions.

"My motto is do your best while you are on duty and when you have to step down do it gracefully," he said.

Before Saturday's crucial meeting, a group of senior PDP members were said to be lobbying fiercely for Cabinet posts. But PDP Secretary-General Sudarat Keyuraphan, ex-deputy House speaker Thawin Praisont and Bangkok MP Suthin Noppaket were not included in the final reshuffle list.

Sudarat said yesterday that she knew in advance that she was not going to be included in the Cabinet because the party's leadership wanted her to concentrate on internal party affairs.

"We need somebody to pay attention to the party. In the past nobody did that job," she said.

Thawin, who had been strongly tipped to become a deputy interior minister, would say only that the party's resolution should be respected. "We have to respect the party's decision. I can't say anything more than this," he said.

Suthin, who had been expected to become deputy education minister, welcomed the party's decision which, nonetheless, "puzzled" him.

"Maybe I'm not good enough. The party wants to offer something new to the,people and take into account what's beneficial to the country. I will simply continue to do my job as an MP, he said.

Senior Democrats Upset at Thaksin Call

BK1110165194 Bangkok BANGKOK POST in English 11 Oct 94 pp 1,3

[FBIS Transcribed Text] The Palang Dharma Party's choice of telecommunications tycoon Thaksin Chinnawat as the next foreign minister has upset senior members of the Democrat Party, according to party sources.

Prime Minister Chuan Likphai, although declining to comment on the choice, sald he would not forward the PDP's Cabinet reshuffle to His Majesty the King for approval until he had spoken to PDP leader Chamlong Simuang.

The Democrat source said many senior members were unhappy the PDP had nominated the chairman of the Chinnawat Computer and Communications Group.

"We are afraid he will not be successful as foreign minister because his business interests in Vietnam and Cambodia will become a major problem," said the source.

There have been reports within the Democrat Party that Mr Thaksin was involved in the attempted coup in Cambodia last July—an allegation Mr Thaksin categorically denies.

Mr Chuan said yesterday:

"Maj-Gen Chamlong asked in his letter to me that I not reveal the list. I will not make any comment just yet.

"The reshuffle is in accordance with the party resolution. I don't have any criticisms.

"I have to meet with Maj-Gen Chamlong first."

Mr Chuan received the reshuffle list Sunday night. A letter from Maj-Gen Chamlong to Mr Chuan was attached to the list.

The Prime Minister immediately called Deputy Prime Minister Bunchu Rotchanasathian and Foreign Minister Prasong Sunsiri, two of the 11 PDP ministers replaced in the new line-up, for an hour-long meeting late Sunday.

Mr Chuan, as government leader, is empowered to revise the reshuffle list, but he ssld yesterday:

"Normally it is the right of each party to nominate someone, except when it would become a real problem. If it's not too bad, it doesn't matter."

The Premier said he could not see any conflict involving Mr Thaksin's telecommunications interests provided he does not take advantage of his political position to further his interests.

He said he would wait for the New Aspiration Party's cabinet reshuffle list and meet with NAP leader Chawalit Yongchaiyut today before making any move on the changes.

"No appointments have been made yet so there is no change. But once I get the NAP list, I will talk to each of the party leaders before submitting the names for royal appointment. I don't know when I can do this."

Mr Chuan said he had to honour the parties making the nominations because they are part of the Government.

Mr Bunchu said the Prime Minister told him and Sqn Ldr Prasong at their meeting Sunday night that he would wait for the NAP list and they should continue to perform their duties until there were changes .

The former PDP leader lauded Maj-Gen Chamlong for being able to attract outsiders to join the Cabinet and said it would be difficult for the Premier to reject them.

The appointments should be acceptable to the public, he said.

Mr Bunchu said he thought Mr Chuan would have to accept the PDP nominations "unless he knows something I don't".

He said the recruitment of outsiders did not mean the PDP has anyone suitable for a ministerial post but this was something Maj- Gen Chamlong could best explain. [sentence as published]

He said he did not think any of the 11 ministers being replaced would resign from the party.

Sqn Ldr Prasong was more tight-lipped yesterday.

"The people will be the judge whether the changes are appropriate," he said.

The Foreign Minister said he would not join other party ministers in resigning his post as he has done nothing wrong.

He refused to say if he would remain with the PDP.

NAP leader Chawalit Yongchaiyut said his party's cabinet reshuffle list was ready but he wanted to consult with the Prime Minister before handing it over today.

He refused to say how many positions would be changed or whether an outsider would be nominated for the deputy prime minister post which he now holds.

"It'll be a medium size reshuffle," he said.

Gen Chawalit denied approaching Mr Thaksin to become deputy premier.

"I never asked him, but others may have. I don't know.

"I have told him (Mr Thaksin) not to get involved in politics and to concentrate on making a living."

Senior PDP sources said Mr Thaksin's business interests in Indochina had been "checked and cleared" by the National Security Council and he had the support of the three armed forces.

Maj-Gen Chamlong said he told Mr Bunchu about the reshuffle yesterday morning and the latter was "apparently happy", praising him for his ability to attract outsiders.

He said some MPs might be disappointed with the reshuffle but it was needed to register achievements as soon as possible.

The party leader denied the reshuffle list was designed to lead to a dissolution of the House.

"You can see that those close to me did not become ministers. We did everything we could to make the coalition parties feel comfortable," he said in an apparent reference to conflicts between those close to him and the Democrat Party.

Maj-Gen Chamlong said he did not think the Prime Minister would ask to change the list because the PDP administrative committee had considered the issue carefully.

"I used to be secretary-general to a prime minister and have experience in setting up governments and reshuffling cabinets.

"I know what types of considerations should be taken into account so the job to be done can proceed smoothly," he said.

The PDP leader said businessmen included in the Cabinet were not put in charge of ministries which could benefit their business interests.

NAP Deputies Defer to Chawalit

BK1110165994 Bangkok BANGKOK POST in English 11 Oct 94 p 6

[FBIS Transcribed Text] All New Aspiration Party MPs will abide by the reshuffle list of party ministers drawn up by NAP leader and Interior Minister Chawalit Yongchaiyut as it was the MPs who had empowered him with the sole authority to make the new appointments, NAP secretary-general Phisan Munlasatsathorn said yesterday.

Mr Phisan insisted that the list would be kept a secret for the time being and its contents would only be disclosed after Gen Chawalit's discussion on the shake-up plan with Prime Minister Chuan Likphai.

But speculation had it that Mr Phisan, now the Science Technology and Environment Minister, would become a deputy prime minister while Deputy Interior Minister Den Tomina would be forced to swap his post with Deputy House Speaker Wan Muhamad Nor Matha.

Mr Phisan and some of the other NAP MPs including Prasong Bunpong of Nakhon Phanom, Surin's Kasem Rungthanakiat and Deputy Government Spokesman Montri Danpaibun yesterday visited the Interior Ministry to discuss the reshuffle over lunch with Gen Chawalit.

Mr Phisan, however, flatly denied that the MPs had discussed the reshuffle list with the party leader.

Mr Den, meanwhile, voiced dissatisfaction over media reports that he may be on his way out of the Cabinet in the latest reshuffle, and made it known he was not keen on accepting the Deputy House Speaker's post.

"The Deputy House Speaker should be elected by the House of Representatives. It is not proper to just put anyone you feel like in that important a post," he said.

Mr Den said he must admit that he was not fit for the role of a Deputy House Speaker because he was too "soft".

Thaksin Cites Qualifications

BK1110165494 Bangkok BANGKOK POST in English 11 Oct 94 p 6

[FBIS Transcribed Text] Telecommunications tycoon Thaksin Chinnawat said yesterday he was ready to replace Prasong Sunsiri as foreign minister as he is well versed in foreign affairs.

Mr Thaksin said Palang Dharma Party leader Chamlong Simuang had approached him to take the job and he accepted because he was confident he could do it.

He said he would be able to handle the foreign portfolio because of his experience with international business and his personal interest in foreign affairs.

His business ties with many countries will help in the task, he said, and would benefit the nation as a whole.

"After having been approached by the PDP leader, I discussed the matter with my wife for a few days before accepting. I am confident I can carry out the task. But let's not say too much yet since I've not yet been appointed officially," he sald.

The tycoon said his business interests in Cambodia and Vietnam would not affect his work as foreign minister because he is well aware of "what to do and what not".

"I think I can do it well be cause I know what role I am taking on if I am officially appointed the new minister. I would not risk my reputation by doing anything which favours Chinnawat. I would rather contribute to the nation as a whole."

"In fact, my businesses in those countries are worth only 20 million baht, which is very little compared with the total interest of the country."

Mr Thaksin said the allegations he and his company were involved in the recent coup attempt in Cambodia "was just a rumour which should now be stopped".

"If I cannot clarify this allegation, I would not dare accept this post."

He said his decision to join the Cabinet did not carry any conditions because he believed Maj-Gen Chamlong wanted to help develop the country.

Mr Thaksin said would never accept the transport and communication portfolio because this would ruin his reputation in the field.

"I always say I would never choose to become a journalist and I would not want to take the post at the Transport and Communication Ministry because I don't want to lose my friends in these two fields."

Mr Thaksin said he was not worried if his term as foreign ninister did not last the full term as he was confident in the steady performance of the present Chuan Likphai administration and the structure of the new PDP cabinet line-up.

A decision on whether to run for office under a political party will depend on various factors after he completes hls first term with the present administration.

His foreign policy will centre on economic rather than political issues as he believes the policy is essential given the era of globalisation.

Mr Thaksin said he was not worried about working with Maj-Gen Chamlong despite his reputation for being a hardheaded leader as he has a simllar nature.

Senior officials at the Foreign Ministry requesting anonymity said they did not think Mr Thaksin's business interests in Indochina would be a problem if he knew how to separate the two roles.

"His role in the past has been in business but when he comes here he will not be in that role. This ministry is not one where you can make money," said one official.

Opinion Leaders View Iraq Situation

Editorial Suggests 'Compromise'

BK1110092394 Bangkok MATICHON in Thai 11 Oct 94 p 2

[Editorial: "What Is Iraq's Motive?"]

[FBIS Translated Text] What is Iraq's motive for its latest mobilization of troops and tanks near the Kuwait border? Does Iraq plan to invade Kuwait again after failing on its first attempt to annex that country in 1991? Iraq should have known that its military action against Kuwait will certainly result in retaliation by the United States and its allies. What does Iraq really want out of its latest armed mobilization? Does President Saddam Husayn really intend to invade Kuwait?

Does the Iraqi leader merely want to provoke the United States and its allies? The Iraqi action has drawn obvious reaction from the United States and the UK, as evidenced by their immediate dispatch of aircraft carriers, planes, and other weapons to the Persian Gulf to protect Kuwait from possible Iraqi aggression or to expel the aggressors if an invasion takes place. If President Husayn merely intends to provoke the United States and its allies by his unexpected action, he has certainly succeeded.

It could be that the Iraqi mobilization near the Kuwait border is the Iraqi leader's way of expressing displeasure with the UN Security Council [UNSC], as many observers of international affairs believe. The UNSC has remained steadfast in its continued trade sanctions against Iraq, which has caused severe shortages affecting the Iraqi people. President Husayn's aggression is therefore his way of expressing dissatisfaction with the situation.

The Iraqi leader's threatening action against Kuwait could also be his way of drawing attention and sympathy from the world to the plight of his country. The Iraqi leader's psychological makeup is that he does not know how to negotiate or look for negotiated solutions because he sees military action as the only solution. The fact that Egypt has offered to mediate the matter so that the world could avoid a confrontation in the Persian Gulf is therefore a welcoming development. To have a middleman so that Iraq could have a chance to air its views is the right thing to do, certainly better than limiting Iraq to military confrontation.

If the Iraqi people suffer so greatly from the trade sanctions, the United Nations should emphasize dialogue with Iraq through Egypt or other middlemen to encourage Iraq to seek peaceful settlement. Sometimes it takes more than the stick to correct a wayward child. Compromise and compassion could be the new medicine for treating a wayward child such as Iraq, which so far the UNSC has not given much of a choice about what it can do.

Paper: Saddam 'Bully'

BK1010062794 Bangkok BANGKOK POST in English 10 Oct 94 p 4

[Editorial: "Iraq Gets No Sympathy by Threatening Kuwait"]

[FBIS Transcribed Excerpt] The bully of Baghdad is clamoring for attention again. Saddam Husayn has grabbed his demanded spotlight. But his methods insure he will win nothing and perhaps lose a lot. Iraq's dictator has moved some 64,000 troops rushing towards his southern border with Kuwait. This is more than enough armed might to invade, brutalise and victimise Kuwait again. Clearly, this is the message Mr Husayn wishes the world to accept. For some reason known only to himself and his close supporters, Iraq's president believes that bullying Kuwait again—or threatening to—will gain him some advantage. He is clearly mistaken . [passage omitted]

Iraq's citizens have been the victim of one of the harshest economic embargoes in history. No consumer goods legally reach Iraq apart from food, medicine, and humanitarian supplies. A naval and air blockade enforces the sanctions. No government, company or individual may trade with Iraq. All exports from Iraq are banned, first and foremost oil. Normal airline traffic to and from Iraq is taboo. British, French, and American warplanes enforce "no fly zones" in the north and south of Iraq, to try to protect minority Kurds and Shiite Muslims from the worst of Baghdad's atrocities.

President Husayn would have the world believe that his country and citizens are the victims in this business. His Information Minister, Hamid Yusuf Hammadi, claims the United States is trying to "starve Iraq and turn it into another Somalia or Rwanda." Of Iraqi troop deployment, he claimed, "this is nobody else's business." At the United Nations, Iraqi Premier Tariq 'Aziz said Baghdad would consider recognising the Kuwait government if the world body lifted the four-year-old sanctions. [passage omitted]

President Clinton was forthright and firm. He said it would be a "grave error" for Iraq to move outside its borders again. In short, the Baghdad military moves effectively killed the work done by Mr Husayn's own diplomats aimed at ending the sanctions.

Clearly, the world will not stand another Iraqi military adventure, and particularly one aimed again at Kuwait. The way to remove the UN embargoes is known, and clear. When the Baghdad regime meets the tough restrictions it has agreed to, economic sanctions will end. In the more than four years since he sent his army on a horrific mission into Kuwait, Mr Husayn has not once seemed to regret his actions. Compliance with UN resolutions only by the threat of force, and on some occasions by actual attack.

President Husayn has always been described in polite company as unpredictable. In less mannerly company, he is called unstable. Certainly his regime has begun tottering from crisis to crisis, and is threatened by general discontent. As control of Iraq gradually slips from his hands, he becomes ever more dangerous. The Baghdad despot must be given no chance to brutalise his neighbours again. It is impossible to sympathise with a bully. The UN must takc wkatever means necessary to halt any military threat posed by Iraq.

Saddam's Fate 'Sealed'

BK1010063094 Bangkok THE NATION in English 10 Oct 94 p A5

[Editorial: "Odds Against Saddam in Latest Bout of Sabre- Rattling"]

[FBIS Transcribed Excerpt] With tens of thousands of Iraqi troops and hundreds of tanks massed less than one hour from Kuwait, the UN has acted swiftly to deter Baghdad from launching any new acts of aggression against the oil-rich emirate it occupied for seven months in 1990.

US President Clinton has ordered troops, Patriot missiles and American warships to the Gulf. Britain has bolstered its naval force in the region while other allied and Gulf powers have placed their forces on standby. [passage omitted]

What appears to really lie behind this latest episode of sabre rattling is not so much another rush of territorial designs but rather Saddam's frustration with the vise-like UN sanctions that are suffocating Iraq's economy.

With its acceptance of long-term UN monitoring of its arms programme last week, Baghdad had expected signs of at least a relaxation of the four-year old sanctions. None, however were forthcoming.

In response, Baghdad has turned once again to taunting the world. The government-run AL-IRAQ newspaper warned on Saturday that unless the sanctions were lifted, "the anger of the patient will erupt in order to compensate for the pains of this patience".

Domestic pressure is building on Saddam to do something. In addition to the crippled economy, crime is widespread and the military appears restive. Desertion rates are up, rumours of coup attempts are again circulating Baghdad and Kurdish groups are consolidating their hold over large sections of the country.

Baghdad claims that more than one million Iraqis, half of them children, have died because of a lack of food and medicine since the sanctions were imposed. But if the people of Iraq are suffering it is Baghdad, and not the UN, that is holding them hostage.

In response to such claims, the UN should launch an investigation into finding ways of alleviating the suffering of innocent Iraqi population. But aside from that, the ball is in Baghdad's court. [passage omitted]

The UN has no mandate to take action to undermine Saddam. But by bringing the Gulf region to the brink of crisis once again, the Iraqi leader has strengthened the belief among his opponents, including Washington, that the Iraqi threat would remain as long as he was in power. Neighbours such as Kuwait and Saudi Arabia will as a result be more determined than ever to ensure that the sanctions stay in place.

Saddam Husayn's rule has been marked by the saying, "Live by the sword die by the sword." Once again Saddam appears to be showing he knows no other way. He may find this time that his fate is sealed.

Prasong: Thais 'Ready' To Send Troops to Haiti

BK0910092994 Bangkok THE SUNDAY POST in English 9 Oct 94 p 4

[FBIS Transcribed Text] Thailand is ready to contribute troops to a United Nations peacekeeping operation in Haiti, Foreign Minister Prasong Sunsiri told United Nations' Secretary-General Butrus Butrus-Ghali yesterday.

The foreign minister told the UN chief that Thailand would take part in the UN Mission in Haiti (UNMIH) if invited to do so by the global organisation.

Sqn Ldr [Squadron Leader] Prasong said the decision to send Thai armed forces to join UNMIH was made after a discussion with Prime Minister Chuan Likphai and Defence Minister Wichit Sukmak.

The offer underlines Thailand's commitment to working closely with the UN—a stance that Sqn Ldr Prasong made clear in his speech to the UN General Assembly yesterday.

The UN plans to dispatch about 6,000 multinational peace-keeping troops to Haiti to replace 20,000 US soldiers stationed in the Caribbean state since last month.

Senate Gives Final Approval to Copyright Bill

BK0710160694 Bangkok Radio Thailand Network in Thai 1200 GMT 7 Oct 94

[FBIS Translated Text] The Senate held its regular session at the parliament building this morning. The session approved the copyright bill, which had been approved by the House of Representatives. The draft legislation is an important bill aimed at protecting products of Thai nationals. Amendment to the law has taken quite some time because the law, first promulgated in 1978, needs improvements to bring it up to international standard. There are 78 articles in the draft bill. The committee scrutinizing the bill made amendments to 21 articles—mainly concerning improvements to the wording of the bill.

Senators debating the bill today expressed disappointment that the majority in the committee failed to listen to their points. They said many senators were discouraged by such an attitude and gave up their plans to speak, even though they felt that there are still many important points which need to be changed. A number of senators complied with the wishes of the majority and voted for the bill just for the sake of a special trade privilege from the United States worth some 26.5 billion baht.

Several senators proposed that the vote on the third and final reading should be held next week so that senators are given more time to study the bill. Senate President Michai Ruchuphan disagreed with their proposal on the grounds that the copyright bill is an ordinary bill and not a constitutional bill. The Senate president reminded senators who are committee members to exercise their rights in debating the bills so that amendments could be made accordingly. He encouraged senators to fully perform their duties in screening laws.

Deputy Commerce Minister Churin Laksanawisit, in his capacity as chairman of the committee scrutinizing the copyright bill, said the committee placed national interests above everything in performing its duty. This government, he said, adopted an offensive economic policy and pushed for protection of intellectual property rights of Thai nationals. He said any treaties or laws which are unfair to the Thai people and constitute obstacles to national economic development would be amended by the government without having to wait for instructions from other countries.

Further on Senate Approval

BK0810094494 Bangkok BANGKOK POST in English 8 Oct 94 p 17

[Report by Somphon Thaphanachai]

[FBIS Transcribed Text] The Senate yesterday unanimously passed the second and third readings of the Government-sponsored Copyright Bill after only two hours of debate.

The bill has yet to be sent to the House of representatives for endorsement because the Senate has made changes in wording of the bill. After being submitted to the House, it will go before His Majesty the King before it is enacted.

The passage of the bill will see significant changes in the computer software and services market worth more than seven billion baht in 1994.

The bill will allow computer companies, which have long suffered from their work being stolen, to get a financial return on their copyrighted work.

The bill passed the second and third readings by the House of Representatives in June. It seeks to expand intellectual property protection to include computer software which falls under the category of literary work. This brings one of the hottest trade issues between the United States and Thailand closer to an end.

Penalties for violations of the new law are stiff. It gives Intellectual Property Department officials the right to arrest violators, who will be subject to jail terms of up to four years and fines of up to 800,000 baht. Convicted violators would not be eligible for any type of leniency if found guilty of infringing the law for commercial purposes.

Under this bill, computer software will be protected as literary work with a protection period of 50 years after the death of the copyright owner. The law will not permit copying, reproduction or modification of a programme's core parts without the permission of the owner.

Deputy Commerce Minister Churin Laksanawisit yesterday expressed hope that the bill would be enacted next year.

The law aims to expand more protection to intellectual works, he said.

Mr Churin said he hoped that the House of Representatives would still approve the bill after the rewording by the Senate.

If the bill is approved by the House, he said the United States would be willing to remove Thailand from the Priority Watch List.

Countries placed under the Priority Watch List will be subject to close monitoring by the United States on the protection of intellectual properties. But in Thailand's case, the United States will wait to see the completed amendment of the Copyright Law passed into law.

Mr Churin said he believed that if the bill became law, the United States would grant tax concessions under the Generalised System of Preference (GSP) on 16 export items which had been earlier revoked, after charging Thailand with insufficient protection of American intellectual property.

During yesterday's debate in the Senate, senator Phatchari Wongphaithun noted that some parts of the amendment of the Copyright Bill which refer to the international copyright protection agreement known as the Berne Convention (Paris Act) did not pass the Thai legislative procedure.

She said that after Cabinet approval to apply as a member of the Berne Convention, the Parliament must ratify the application before allowing the Foreign Ministry to represent Thailand as a signatory.

After that, the Government could revise the law to make it comply with what Thailand has already committed to in the agreement.

She also noted that some parts of this bill have already been amended to comply with the Berne Convention ahead of ratification.

But Mr Churin, in his capacity as chairman of the Senate Committee on the Amendment of the Copyright Law, countered that the Government did not amend the Copyright Law to correspond with the Berne Convention. Instead, he said, it was a normal process of amending laws which were outdated, and which have been used for more than 20 years.

Therefore, it was changed to accommodate the country's economic and social changes, he said.

Mr Churin also told the Senate that the Government now has an offensive strategy toward the protection of intellectual property right. The strategy does not allow last-minute moves to make the country comply with international standards, he said.

He noted that Thailand had been granted a transitional period of five years to issue new laws to protect intellectual property rights. However, he said Thailand would not need that much time, citing the three new laws—Sub-Patent Law, Plant Varieties Protection Law and Geographical Origin Protection Law—which will come on line soon.

He said that new laws would extend more protection to copyrighted works as well as clearly define the protection of computer software under literary works which will extend protection throughout the lifetime of the creator, plus another 50 years after his death.

Many agreed that when the law comes into effect, things would be much better. They said the market would see a significant change because original software was already being used by medium- and large-sized businesses—the biggest spenders on software.

Microsoft (Thailand) country manager Paul Siphiphat earlier predicted a software market growing some tenfold after the bill becomes law. He also predicted stiffer competition in this industry.

Bill To Be Law by Jan

BK1110080094 Bangkok THE NATION in English 11 Oct 94 p F1

[FBIS Transcribed Text] The Department of Intellectual Property said the copyright bill, already approved by the Senate last week, is expected to receive Royal endorsement and become law by January of next year.

The Deputy director general of the department, Yanyong Phuangrat, expects Prime Minister Chuan Likphai to submit the bill to His Majesty the King within two weeks of its receiving Senate approval. He said the law contains 78 articles, of which 21 would need changes in wording due to the amendments made by the Senate.

Yanyong said the department is now preparing for the release of the copyright law by introducing a standard format for contracts between employers and employees that also covers violation of copyright materials. The contract is expected to be available by early next year.

He said the department is now studying the model of standard contracts to be used by the Thai private sector that covers computer programmes those protecting a song's text and melody. Others include standard contracts between movie stars and film studios, as well as others in the entertainment business. These contracts will also be enacted at the beginning of the next year.

The official said the Ministry of Justice also expected that the new Intellectual Property Court, whose plan was approved this month, would be operational by next year. The new court would house three judges and two legal experts specializing in intellectual property cases. One official, with knowledge in computer software and chemical and electrical science will also be assigned to the court to assist the judges in their ruling.

He said these group of experts would hold a five-year term and did not necessarily need formal legal training.

He said the new court needed many experts since most intellectual property cases required a lot of technical background before the court could make the right ruling.

Isoun Theraniti, an IBM legal expert, said the new copyright law would be a great boost to the local software industry.

"A recent report from the Association of Thai Computer Industry (ATCI) last year showed that the revenue generated by the software market had increased by 11 per cent, or [Thai baht] Bt3,800 million, since 1992, and that it is expected to increase by 50 per cent after the copyright law has been enacted.

He said the new law would encourage foreign software developers to expand their market to Thailand since they now feel confident that their products will be protected by laws and that they can file for damage fees.

He said many local software resellers should educate themselves on the penalties imposed by the new law.

"The law includes a penalty of Bt20,000 to Bt200,000 for violators. For those with commercial intentions, the fine will be increased to Bt100,000 to Bt800,000. There is also a jail term for the violator," he said.

Bunrak Sarakkanan, an ATCI member, said most software piracy cases happen in the PC sector of the market and that this market had already reacted to the new law even though it has yet to become effective.

"Thai users have gotten more used to using legal software, especially now that the price of legal software has come down to an acceptable level.

Ministers To Push U.S. for Lower Tobacco Tariffs

BK1110104094 Bangkok THE NATION in English 11 Oct 94 p A1

[FBIS Transcribed Text] The Excise Department has asked the Foreign Ministry and Commerce Ministry to lobby Washington for lower tariffs on Thai tobacco leaves.

A source from the department said it had sent a letter to the two ministries, which are directly involved with trade negotiations, demanding they urge the US to upgrade Thai tobacco from a "C" classification, subject to a 305 per cent customs duty, to the lower-tariff "A" classification.

In the past, Thai tobacco leaves were subject to a 150 per cent tariff, but the US has recently set tariffs according to a product's grade following the introduction of a quota import system for tobacco leaves.

In July, the US divided tobacco leaves into three categories—A, B and C—according to quality.

Previously, the US had allowed imports to enter the country under a 30:70 ratio for foreign and domestic tobacco. After being accused by the European Union of protecting its tobacco leaf producers, the US allowed imports to enter the country under quotas but set different tariff rates.

The source said the sudden increase in the tariff on Thai tobacco would erode its competitiveness in the US, which had imported an average of 5 million tonnes of Thai tobacco leaves a year.

"If Thailand fails to address the problem immediately, it would certainly face a large surplus of tobacco leaves on the Thai market," the source said.

Thailand had received large orders from US tobacco plants, and this had prompted a number of farmers to switch to growing tobacco. Although the government has encouraged planters to switch to other crops, it failed to persuade the planters because tobacco leaves still produce a good income, the source said.

The drastic change in US policy on tobacco imports will hit hard local farmers. Aside from the tariff rise, Seri Phansuwan, managing director of Thailand Tobacco Monopoly, said that Thai planters also face stiff competition from China. Chinese-produced tobacco leaves are of a lower quality, but the price is much cheaper.

Currently, Thailand Tobacco Monopoly has tobacco leaf reserves of 100 million kilogrammes. And local production has already surpassed domestic consumption. Thailand Tobacco Monopoly has tried to find new markets for locally produced tobacco leaves, but none can replace the huge US market.

Minister Challenges APEC on Markets

BK1110090594 Bangkok THE NATION in English 11 Oct 94 p B2

[FBIS Transcribed Text] Thai Commerce Minister Uthai Phimchaichon has challenged the developed members of Asia-Pacific Economic Cooperation (Apec) to immediately open up their markets regardless of the suggested time frame made by the Apec advisory group, to demonstrate their intentions to move towards free trade.

Speaking upon his return from the Apec trade ministerial meeting in Jakarta on Sunday, Uthai said Thailand proposed to the Apec delegation during last week's meeting that in a bid to achieve a free trade area in the Asia-Pacific, the developed countries should move to open the market for the developing member-countries first.

"The developed countries have been strongly calling for "free trade," so we dare them to open the market immediately." He went on, "Thailand's initiative shocked the developed participants at the meeting," he said.

Uthai has been publicly expressing his reservations against the Apec Eminent Persons Group [EPG] report suggesting members to create a free trade area. The EPG's report foresees Apec members adopting a progressive three-tier market liberalization plan in the years 2010, 2015 to 2020.

Under the proposal, the United States, Japan, Canada, Australia and New Zealand might select to open their markets over 10 years, Singapore, South Korea, Taiwan, 15 years, while the developing countries such as Thailand, China and Indonesia might choose the third category.

A Thai officer, however, said Thailand took the multilateral trade agreements in the General Agreement on Tariffs and Trade (Gatt) as a priority, and whatever efforts to be implemented should wait until the effective enforcement of the Gatt agreements.

The EPG report largely reflected the US intention to create free trade in the Asia-Pacific region.

Asked whether Thailand had actually proposed that developed countries comply with the liberal time frame stated in the Eminent Persons Group's second report, Uthai stressed that he wanted developed countries to open their markets as a positive example, regardless of the time frame in the EPG report.

Given the diversity of the economic development among the 17 Apec members, Uthai noted that Thailand wanted rich members to realize some Apec poor nations would have difficulties in complying with the free trade suggestion.

The Apec trade ministers last week met to discuss the proposal from the EPG in broad terms. Apart from the time frame for tariff cuts, the ministers also discussed the recommended Apec mediation body, in which trade ministers shared the same view that the body would help ease the trade conflicts among the members, but that the creation of the body should not duplicate the dispute settlement body to be set up next year under the World Trade Organization.

It was reported earlier that ASEAN ministers had proposed the termination of EPG at the ASEAN economic ministerial meeting last month, but Uthai replied that the suggested abolition was not discussed at the meeting of the Apec ministers. Uthai said the issue will be decided at the Apec leaders summit next month.

The International Economic Policy Relations Committee, headed by Deputy Prime Minister Suphachai Phanitchaphak, will open with Thailand's position on Apec cooperation, Uthai added.

Meanwhile, Foreign Minister Prasong Sunsiri is scheduled to meet with Uthai, Minister Chinnawut Sunthonsima, and Dr Narongchai Akharaserani, the Thai EPG member, to discuss the Thai position on the future of Apec.

Prime Minister Returns, Views Clinton Meeting

BK0910093394 Bangkok Radio Thailand Network in Thai 0530 GMT 9 Oct 94

[FBIS Translated Text] Prime Minister Chuan Likphai and his delegation returned home after concluding an official visit to Canada and unofficial visit to the United States and arrived in Bangkok at 0600 today. Telling reporters that his visit to the two countries was very successful, the prime minister said:

[Begin Chuan recording] The visit to Canada was made in response to the invitation from Canadian Prime Minister Jean Chretien. Besides the strengthening of the good relations between the two countries, another major objective of the trip was to discuss with the Canadian side the expansion of trade and investment cooperation between our two countries. During my personal meeting with the Canadian prime minister and the meeting of the delegations of the two countries, both sides agreed with the recommendation made by the Canadian prime minister for the 100-percent increase in volume of the Thai-Canadian trade in the next four or five years. I asked the prime minister to encourage Canadian entrepreneurs to come to invest in Southeast Asia and Thailand. I also had the opportunity to meet with leading business people, both at national and provincial levels, and the prime minister of the local government of Alberta Province. In my addresses at several gatherings of Canadian business people, I informed them about the trade and investment potentials of Thailand and other issues of interests. During the visit, two agreements were signed. The first agreement signed by the foreign ministers of Thailand and Canada pertains to legal cooperation to facilitate the prosecution of suspects in general offenses, not only in narcotics cases. The second agreement signed by the deputy science minister and representative of the Canadian Government is about the cooperation and assistance in the use of modern technology for natural resources exploration. This is a brief report on our visit to Canada.

As for the United States, I was invited by the U.S. President to witness the opening of the Thai-U.S. Business Council. Our government proposed setting up the council during the APEC meeting in Seattle last year. The objective of this council is to promote economic relations between the two countries. The U.S. President agreed with the idea, and the council was declared open on the evening of 6 October. Prior to the opening ceremony, our delegation comprising Deputy Prime Minister Suphachai, the foreign and defense ministers, and myself had the opportunity to hold a consultative meeting with the U.S. side, led by the U.S. President. We exchanged views on bilateral and multilateral issues and discussed relations between our two countries in the fields of trade and investment, especially the issues left over from the meeting in Seattle last year. The U.S. President is interested in our copyright law. We told him that the legislation, approved by the cabinet and passed the House of Representatives, is now being deliberated by the Senate. We also informed him about the progress of our labor bill, which is now scrutinized by a House commission. In this regard, he said he will remove Thailand from the watch list after the promulgation of these laws. [end recording]

Vietnam

Foreign Minister's Activities in U.S. Noted

BK1110092794 Hanoi VNA in English 0740 GMT 11 Oct 94

[FBIS Transcribed Text] Hanoi VNA Oct. 11—Foreign Minister Nguyen Manh Cam, head of a Vietnamese delegation the current 49th General Assembly of the United Nations met with UN General Secretary Butrus Butrus-Ghali in New York on Oct. 6.

During the meeting, Foreign Minister Cam spoke only of the efforts by the UN in general and Dr. Ghali in particular for the cause of peace, security and cooperation for development among nations. On behalf of the Vietnamese Government and people, he thanked all agencies in the UN system and Mr. Ghali personally for their assistance and support to Vietnam's current renovation process. He said that the Vietnamese Government and people are ready to do what they can to further develop their relations with the UN.

For his part, Mr. Ghali recalled his deep impressions and fine sentiments on Vietnam's land and people, particularly the positive changes in the renovation process which he saw during his Vietnam visit in 1993. He highly appreciated the UN-Vietnam relationship and expressed his pleasure at the development of this relationship. He pledged to continue paying his concerns over issues, which Vietnam is trying to settle, including the issue on Vietnamese nationals in Cambodia. He expressed his wish that with its important role and position in the region and the world, Vietnam would actively take part in a summit on social development to be held in Copenhagen, Denmark, in 1995 and activities to mark the 50th founding anniversary of the UN.

The same day, F.M. Cam met with the leadership of the UN Development Programme (UNDP) and the UN Children Fund (Unicef) during which he thanked these agencies for their active cooperation with and constant assistance to Vietnam in recent years.

Earlier on oct 4. Mr Cam had a range of contracts with a number of US congress men. He met with Mrs. A. Griffiths, executive secretary of the National League of POW/MIA Families in Washington and called at the office of the US Veterans' Indo-Chinese Project Organization. The same day, Mr Cam met with about 150 representatives of US companies and representatives of the departments of state, defence and commerce, and other US governmental institutions.

On Oct. 5-6 in New York, Mr. Cam called on the Association of Asia and the Carnegie Institution where he spoke about the latest economic, political and social development in Vietnam and its policy of industrializing and modernizing the country. He highlighted the positive changes in the Vietnam-US relationships and pointed out issues which the two sides need to make more efforts to settle in the immediate future in order to broaden their relations on the basis of mutual benefits.

The American congressmen, businessmen and friends applauded the Vietnamese people's successes in renovation. Especially the American business circles had great interests in studying Vietnam's economic potential and trade and investment conditions in Vietnam. Many congressmen and officials affirmed their desire to promote normal relations with Vietnam, first of all ensuring trade credits and investment promotion in Vietnam and giving it the most favourable nations status. They also highly valued Vietnam's efforts to effectively solve humanitarian issues that concern the Americans, chiefly in the issues relating the Americans Missing in Action in the Vietnam war.

Japanese Parliamentarians Arrive for Visit

BK0910152294 Hanoi VNA in English 1451 GMT 9 Oct 94

[FBIS Transcribed Text] Hanoi VNA Oct. 9—A Japanese parliamentary delegation led by Mr Michio Watanabe, member of the lower house and president of the Japan-Vietnam Inter-Parliamentary Committee, arrived here this afternoon for a friendship visit to Vietnam.

In the evening, the delegation was cordially received by Mr Hoang Bich Son, chairman of the National Assembly's External Relations Committee.

Mr Son welcomed Mr Watanabe and other Japanese Diet members to visit Vietnam, and said that the visit would contribute to the strengthening of the friendship and cooperation between the two legislatures.

Mr Watanabe expressed his fine impressions on the land and people of Vietnam and the country's rapid development in recent years. He said he wished that his visit would actively contribute to the friendship and cooperation between Vietnam and Japan.

President of the Vietnam-Japan Friendship Association Tran Van Phac and Japanese Ambassador Kazuo Ogura were present at the reception.

Nong Duc Manh Meets Delegation

BK1110111094 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 10 Oct 94

[FBIS Translated Text] At the Presidential Palace in Hanoi on 10 October, Comrade Nong Duc Manh, member of the party Central Committee Political Bureau and chairman of the National Assembly received Mr. Michio Watanabe, president of the Japan-Vietnam Interparliamentary Committee currently on a visit to Vietnam.

Chairman Nguyen Manh Cam said that in recent years, relations of friendship and cooperation between the two states and national assemblies have developed consistently. The Vietnamese National Assembly and people highly appreciated Mr. Michio Watanabe's role as a close and wholehearted friend of Vietnam who has made great contributions to stepping up friendship and cooperation between the two countries. In the recent past, national assembly committees of the two nations have exchanged visits and experiences, thereby bringing about many fruitful results. The chairman expressed the hope that national assemblies of the two countries will further develop their relations and that he will have the chance to welcome the Japanese National Assembly Chairman in Vietnam.

Mr. Michio Watanabe expressed his delight in seeing the achievements recorded by Vietnam in its renovation. He said that, coming back to Vietnam after three and a half years, he could see rapid and extensive changes especially in the socioeconomic domain. He said: I am convinced that Vietnam will overcome all difficulties and will consistently advance.

Center To Take Over Flight Information Region

BK1110104494 Hanoi VNA in English 0707 GMT 11 Oct 94

[FBIS Transcribed Text] Hanoi VNA October 11—The Ho Chi Minh Air Control Centre (HCM ACC) under Vietnam Airlines will officially take back the control of Flight Information Region (FIR) Ho Chi Minh on December 5,1994.

The decision was made at an International Conference on Coordination of Air Space and Flight Information over the East Sea held recently in Ho Chi Minh City. The conference, sponsored by the International Civil Aviation Organization (ICAO) in Asian Pacific region, was attended by representatives of the ICAO, 10 foreign countries which conduct flights via FIR Ho Chi Minh, and 12 members of the International Aviation Transport Association (IATA). The Vietnamese delegation to the conference was led by Mr. Nguyen Xuan Mui, acting general director of the Vietnam Civil Air Control Centre.

At the conference, the participants discussed and reviewed the coordination of air space and flight information over the East Sea and Vietnam's preparation for taking back the control of FIR Ho Chi Minh. They conducted on spot investigations of facilities of the HCM ACC, the Ho Chi Minh telecomunications, aviation, the Tan Son Nhat flight control station, radar station air rescue facilities in southern airports and the qualification of the air control staff.

Ministry Holds Meeting With Flooded Provinces

BK0810115194 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 8 Oct 94

[FBIS Translated Text] On 7 October, the Ministry of Water Conservancy held an urgent meeting with Tien Giang, Long An, Dong Thap, Kien Giang, An Giang, Can Tho, and Vinh Long Provinces to evaluate the damage caused by the recent flash floods in the Mekong River Delta and to discuss measures to deal with it. The meeting discussed the reasons for the increase in the flooding and the more severe damage, since the water level of the recent floods has been lower than those of 1991. It also discussed long-term measures for dealing efficiently with flash floods in the Mekong River Delta.

The provinces and responsible organs examined the practical ramifications of the floods and suggested initial plans for dealing with the damage. The Ministry of Water Conservancy, after assessing the situation, assigned practical duties to all localities. The ministry instructed the provinces to ensure that the winter- spring food production procedes in line with the recent prime ministerial directive.

Soc Trang, Long An Situation

BK0810152694 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 Oct 94

[FBIS Translated Text] A number of districts in Soc Trang Province have been hit by flash floods since 5 October. The water levels on various rivers have risen considerably. A 200-meter section of the province's 150-km dike, running through Ke Sach and Long Phu districts, has collapsed, causing the flooding and waterlogging of orchards and crop fields.

The province's Steering Committees for the Prevention and Control of Floods and various districts are organizing relief forces and are providing materials for the people in areas affected by the flood so they can repair the collapsed sections of the dike and strengthen the vulnerable sections as part of an effort to reduce the losses caused by the flash floods.

In Long An province, as of 8 October, eight districts—totaling 61 villages—in the province had been hit by flash floods. The flood water level measured in Moc Hoa at 0700 on 8 October was 4.31 meters, 10 centimeters higher than that in 1991. Losses caused by flash floods have been put at over 30 billion dong. Sixteen thousand hectares of rice have been submerged under flood water with 10,000 hectares of them totally destroyed. An estimated 26,000 tons of food grain or more have been destroyed. In addition, losses caused to fruit orchards, grain crops, and fish ponds have reached 25 billion dong.

Over eighty-one schools and 42 health establishments have been flooded or heavily damaged. Traffic on all local land routes has been suspended. Forty-two thousand houses have been inundated, half of them being seriously damaged.

As of 8 October, flash floods have resulted in the deaths of 54 people, 42 of them children.

In order to deal with the flood-related losses, the Long An Province Financial and Pricing Office has set aside nearly 700 million dong for use as aid for flood victims. Some 650 boats, 4,000 meters of fish nets, over 100 items of medicine, and 11 tons of rice have been distributed. Many relief teams belonging to various ministries and sectors at the central level, cities, and nearby provinces have visited and provided nearly 240 million dong for the compatriots in areas hit by the floods so they can stabilize their lives and carry out production after the floods.

Currently, Long An is focusing its efforts on saving the people from hunger and maintaining order and security for those areas hit by the flash floods.

Localities Urged To Help Victims

BK1010050794 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 9 Oct 94

[FBIS Translated Text] The party Central Committee Secretariat recently sent the following message to various province and city party committees and party committees under the central authority:

This year the flash flood season arrived earlier than before and the flood water level is considerably high. Many large areas in the Mekong River Delta are submerged, resulting in serious losses in human lives, personal property, and to production and socioeconomic infrastructure. The hardest hit are An Giang, Dong Thap, and Long An provinces and a number of districts in Kien Giang, Tien Giang, Can Tho, and Vinh Long provinces.

Party committee echelons and the administration in the localities affected by the natural calamities have strived hard and taken measures to control the flash floods. They have mustered all the means of their localities to minimize the losses and overcome the consequences.

The government and various sectors concerned have conducted on- site inspections of the situation and are taking positive measures to help the localities restore production and provide assistance to compatriots who have been affected. As the losses are considerable, time is needed to overcome its consequences. In the period ahead, the people in these areas will face difficulties with their livelihood.

In view of this, the Secretariat urges various province and city party committees, party committee echelons belonging to various branches and sectors; public organs, mass organizations, and trading firms nationwide to encourage party cadres and members and the people to call upon their their sense of solidarity and mutual assistance, by coming up with appropriate and practical forms of aid for victims. This is to help them overcome existing difficulties and promptly restore production and stabilize their livelihood.

Arms Cache Uncovered in Song Be Province

BK0910093994 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Oct 94

[FBIS Translated Text] Recently, while performing local mass mobilization work, the border defense force in Song Be Province discovered an arms cache of 122 military guns at Da Co Village in Phuoc Long District. The illegal guns consisted mainly of AK, AR15, CKC, K44, and M16 rifles.

Initial investigation results indicate that these guns were purchased by the people from Cambodia or collected from old weapons caches.

Army Paper Praises Hanoi's Economic Comeback

BK0910152794 Hanoi VNA in English 1444 GMT 9 Oct 94

[FBIS Transcribed Text] Hanoi VNA Oct. 9—'Hanoi has got out of economic recession regaining its stability and vigourously turning to a market economy and is prepared for a period of development until 2000', said Mayor Le At Hoi in a recent exclusive interview with the Army paper QUAN DOI NHAN DAN.

Mayor Hoi said that in the 1991-1993 period, the city's GDP [increased by] 10.55 per cent a year, up by 1.5 times compared with the 1985-1990 period. In 1993 alone, the ratio between Hanoi's GDP and the national GDP increased to 7.12 per cent from 6.4 per cent in 1990. As a result, the city's per capital income, increased to USD 556 in 1993 from USD 447 in 1990. Also in 1993 the cost-of-living index was up by 0.45 per cent a month.

Food output in rice equivalent was 244.224 tonnes in 1993, up by 16.3 per cent compared with 1992. In addition, the number of poor households dropped to

5.83 per cent from 9.17 per cent in 1990. Mayor Hoi pointed out that so far there were in Hanoi 143 investment projects operational in the city with a total capital of USD 1.7 billion, of which investment on industrial production accounts for 30 per cent and on tourism and the tourist-related services 47 per cent. In 1993, the city created more than 250.000 jobs, gradually settling the local unemployment.

Regarding the city's development plan in the coming years, Mr Hoi said that Hanoi would increase its GDP through mobilizing the potential of its traditional [word indistinct] developing high- tech industries such as electronics, optical technology and precise engineering, and getting prepared for electronization of some sections in production. In the 1994-1995, period, the city will complete the existing industrial estates, start building the Noi Bai Sepzone [as received], and put the Sai Dong Industrial Estate into production. At the same time, the city will prepare for feasibility study for the construction of some hi-tech industrial estates where high value-added products will be turned out by clean technology.

On the construction of technical infrastructure, Mr Hoi said that the city was striving to mobilize all investment capital resources to resolve the most fundamental issues including the building and upgrading of its road system, expansion of communication, sufficient supply of energy and water and sewage treatment in 5 years.

Heavy Industry Ministry To Reorganize

BK1010062294 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 9 Oct 94

[FBIS Translated Text] Prime Minister Vo Van Kiet held a working session in Hanoi on 6 October with leaders of the Ministry of Heavy Industry, the government's machinery commission, leaders of relevant ministries and sectors at the central level, and the directors-general and directors of 36 machinery firms representing 430 machinery firms nationwide to discuss the reorganization of the machinery sector.

Minister of Heavy Industry Tran Lum presented a report on the current state of the sector and the orientations for its development in the period ahead.

At this working session, Prime Minister Vo Van Kiet unanimously agreed with Minister Tran Lum on his plan to develop the machinery manufacturing sector. As for guidelines for the period ahead, the prime minister emphasized: The machinery sector must exploit all sources of capital, make far-reaching investments, renovate and consolidate its equipment and technology, improve production, and expand the range of goods of all factories, especially major machinery plants. This is to exploit existing equipment and technology to the fullest, while investing in major factories for the manufacture of high-quality products by using advanced technology so as to compete with others in domestic and export markets. It is necessary to step up partnerships with foreign countries to obtain the sources of technical capital and modern technology for the development of the sector. Efforts must be directed at serving the essential sectors which are under pressing economic demands.

Touching on a number of specific issues raised by participants about the machinery sector, the prime minister said: The state has a policy to protect domestic production, especially the machinery manufacturing sector. The prime minister has assigned the Ministry of Heavy Industry with the main duty of planning the reorganization of the machinery sector and its production.

Australia

Keating Regrets Saddam Not 'Finished' in 1991

BK1010075494 Melbourne Radio Australia in English 0500 GMT 10 Oct 94

[FBIS Transcribed Text] Australia's prime minister, Paul Keating, says it's a great pity Iraq's leader, Saddam Husayn, wasn't finished off during the Gulf war of 1991. Mr. Keating says the Australian Government is closely watching the latest buildup of Iraqi troops on Kuwait border, but has made no decision yet to send troops. He said if the United States asks for assistance the government will favorably consider the request.

[Begin recording] [Keating] We are keeping under watch troop movements in Iraq and generally keeping in touch with the international intelligence on what's happening. The president of the Security Council has condemned these movements, the intimidatory nature of them, and I can only concur in that.

[Unidentified correspondent] Then you support the U.S. decision to send troops in?

[Keating] I think that the the great pity was we never went after Saddam Husayn in the first place, on the first round, and basically when we had him beat, we should have finished him off.

[Correspondent] So you think that the U.S. decision at that time should have been to go in and strike down Saddam Husayn?

[Keating] That's what I think. But I was in the minority in those days. [end recording]

Citizens Advised To Defer Travel to Kuwait

LD1010095494 Melbourne Radio Australia in English 0900 GMT 10 Oct 94

[FBIS Transcribed Text] The Australian Government is advising people to defer travel to Kuwait. The Department of Foreign Affairs has issued a statement in Canberra saying in view of the buildup of tension on the Kuwait-Iraq border, Australians intending to travel to Kuwait should follow developments closely. The department says people should be prepared to vary their travel arrangements if necessary. Australians in Kuwait are being urged to register their presence with the Australian Embassy in Saudi Arabia.

Petroleum Firm Finds Oil in Timor Sea

BK1110034994 Melbourne Radio Australia in English 0100 GMT 11 Oct 94

[FBIS Transcribed Text] Australia's petroleum industry is predicting that a new oil discovery in the Timor Sea could help solve the country's future production shortage. Woodside Offshore Petroleum says its find 300 kilometers northwest of Darwin is significant with the oil drill column reaching 102 meters in length. Production tests later this week help determine the size of the reserve.

The executive director of the Australian Petroleum Exploration Association, Dick Wells, says if the production levels from the field meet expectations it could help limit the amount of oil Australia needs to import.

[Begin Wells recording] Looking down the barrel at the moment of declining oil production at around the year 2004 and if we do not have new discoveries like this, well, we will be in a position where we will have to import a lot more oil. In actual fact, with (Griffith) and (Wandoo) coming on in the Northwest here we will see domestic production increase marginally for the next year or so, but after that without new discoveries it falls away fairly dramatically. [end recording]

More Indonesian Illegal Fishing Vessels Seized

BK1010113894 Melbourne Radio Australia in English 0500 GMT 10 Oct 94

[FBIS Transcribed Text] A further three Indonesian fishing vessels have been apprehended in Australia's declared fishing zone. The boat were apprehended by the navy ship, Cessnock, 180 nautical miles north of Darwin and will be taken to Darwin for interviews by fishery officers.

In the past few weeks, 31 Indonesian vessels have been apprehended allegedly for fishing in Australian waters. In Kimberly, the skippers of 12 Indonesian vessels are due to appear in the Broome court today on charges of being in Australian waters illegally.

Fiji

Rabuka Plans for Readmittance to Commonwealth

BK1010073294 Melbourne Radio Australia in English 0500 GMT 10 Oct 94

[FBIS Transcribed Excerpt] Fiji's prime minister, Sitiveni Rabuka, says moves are under way for the country to reenter the Commonwealth. In a national address marking the Fiji Day, Mr. Rabuka said his government [words indistinct] seeking the proper time to reenter the Commonwealth so that the Fiji people could reestablish their links with the British Crown. [passage omitted]

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